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NEWS SUMMARY

BUSINESS

quake Sterling firm; gold up \$2 3/4. Sterling gained 50 points to \$1.7172; the index improved to 61.9 (61.8). The dollar's depreciation widened to 0.58 (0.50) per cent.

Romania's vital oil and a major industrial estimated to have been five years by Friday's quake, which has delivered a blow to the country's economy. It is feared that thousands of people might be killed, and yesterday's death toll exceeded 100.

rd winners. id Malbert, who died last week, was named yesterday as winner of the Harold Winsor Financial Journalist Award for 1976. Mr. Malbert was the City Editor of the Evening Standard.

rejected. s that eight SAS men were rejected by a court because of a map reading error at their trial in Dublin. The judge later gave a defence plea that as no prima facie case was shown to answer on the charges. Page 10

service. Callaghan and Mrs. Callaghan, yesterday memorial service in the Abbey for Mr. Callaghan who died last week.

talks. in Soares, the Portuguese Minister, who had talks yesterday with President de Gaulle and Mr. Raymond Barre. The French Prime Minister appeared confident that he would receive French support for Portugal's entry to the E.C. Market. Page 5

suit. reholder in the McDonnell Douglas company has filed a lawsuit alleging that executives were aware of defects in the DC10-30 aeroplanes operated by Airlines crashed near Madrid, 1974, but did not correct them.

backs down. yesterday withdrew its request for the Soviet Union to withdraw from the Soviet military presence in East Germany. The U.S. Secretary of State said the negative attitude by most of the countries presented on the U.N. Rights Commission.

ly for peace. Palestine Liberation Organisation is ready to make with Israel, President Sadat has said in an interview with Time Magazine.

ly. bert Armstrong, 49, a secretary at the Home Office, to succeed Sir Arthur Permanent Under-Secretary at the Home Office, at of June.

Bank International sponsored the 1976 South West Asia Expedition to home £2,500 a year next five years to the Everest Foundation.

known letter from the Angri Brigade, to say Holland has been in a library's archives at Manchester.

Creek, 25, who was a member of the Angry Brigade, released on parole from prison next month.

PRICE CHANGES YESTERDAY. Pence unless otherwise indicated.

U.S. energy policy review threatens German reactors

BY NICHOLAS COLCHESTER IN BONN AND DAVID BELL IN WASHINGTON

Some of Europe's most advanced nuclear facilities are threatened with closure because U.S. supplies of highly enriched uranium for West Germany's research and prototype reactor programmes have been reduced to a trickle. Nukem, the major German uranium importer and fuel element fabricator, says that West Germany will have run out of highly enriched nuclear fuel by mid-summer if the difficulties persist. Dr. Guido Brunner, EEC energy commissioner, will raise the matter when he travels to Washington Wednesday week. The Bonn Government is known to be concerned as well, but with Nukem, it is taking a diplomatic line with Washington in the hope that a satisfactory solution will be found before supplies are exhausted. The reduction in enriched uranium supplies is a direct result of the full-scale review of U.S. nuclear fuel export policy ordered by President Carter soon after he took office. This review - it also covers the whole range of U.S. nuclear non-proliferation policies - is expected to be finished next week. It will then be submitted to the Press who will take some weeks to consider it. U.S. State Department officials say that there are "no efforts under way for a concerted slow down" of exports to Germany, and deny that the Administration has singled out the Bonn Government. They insist there is no direct connection between the reduction of fuel exports and the U.S. nuclear policy review.

Rise in output prices drops back to 1 1/4%

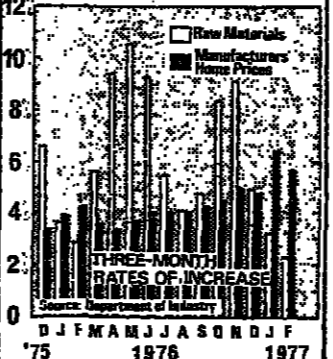
BY MICHAEL BLANDEN

PROSPECTS OF a reduction in inflation have been slightly improved by an announcement by the Department of Industry that prices charged for manufactured goods at the factory gate rose by 1.4 per cent last month. This increase represents a return to the recent pattern of price rises after the exceptional jump of 3.1 per cent at factory gate (output prices) recorded in the previous month. There are also encouraging signs that the increase in industry's raw material costs, which will work through to the output level in coming months, is easing off. Last month prices of materials and fuel bought by manufacturing industry rose by only 1.4 per cent, after an increase of over 2 1/2 per cent in the previous month. This figure, though it may exaggerate the underlying improvement in the trend of materials costs, holds out the hope of a significant cut in retail price inflation later in the year. Nevertheless, official sources continue to take a cautious line on the latest indicators. The growth of output prices is much lower than in January, when the increase was substantially inflated by special factors including the annual bunching of price rises and the impact of the December budget duty increases. The rise of 1.4 per cent still indicates, however, that there is further considerable room for year's decline in the value of sterling. The Department reported that there was a rather sharp rise of 1.1 per cent in the prices of manufactured goods other than food, drink and tobacco, with the most significant contribution from the textile industry. Output prices continue to reflect past cost increases including the rise of 1.4 per cent in the previous month.

WHOLESALE PRICES (1970=100)

Table with columns: Output (home sales), Materials, Fuels. Rows: 1975 1st, 2nd, 3rd, 4th; 1976 1st, 2nd, 3rd, 4th; 1977 Jan, Feb.

Manufacturing Wholesale Prices



Fears grow of Cabinet-NEC clash over direct elections

BY RICHARD EVANS, LOBBY EDITOR

THE PROSPECT of a bruising assurance that no legislation will be introduced this session. Mr. Callaghan has already told Cabinet and the Labour Party's National Executive Committee that the Government will use its best endeavours to hold direct elections by the target date of June, 1978, but the Cabinet faces a number of intractable problems. Any legislation could get through the Commons only with the support of the Conservatives and Liberals because of the implacable opposition of Labour anti-Marketters. But the Conservatives will only support a Bill that includes the present first past the post electoral system. The problem for Mr. Callaghan is that such a system would probably leave Labour with very few seats among the 81 huge constituencies because of Tory strength in England and Nationalist strength in Scotland. Should the Government decide to introduce legislation by the summer, Mr. Hayward told the joint meeting that it might be necessary to call a special one-day meeting of the party. All the indications are that such a meeting would support the party conference decision opposing direct elections, thus undermining the deep divide between party and Government evening. The purpose will be to seek an

STRIKES HIT TWO MORE CAR GROUPS

5,530 Leyland shop stewards urge Ford and Chrysler changes at top

BY OUR LABOUR STAFF

NORTHERN FACTORIES of both Chrysler and Ford were hit by strikes which disrupted production yesterday. The Chrysler plant at Linwood, Renfrewshire, was at a standstill with 3,000 body plant workers on strike and a further 1,000 laid off in a dispute over whether four men should be paid for a two-hour stoppage last week. A meeting of Transport and General Workers' Union shop stewards in Birmingham blamed "neurotic management style" for many of the company's present problems. The factory union representatives warned that there was little prospect of employees' confidence being regained without changes in some of the company's personalities. Yesterday's strike was the third to close Linwood since the State-financed rescue of Chrysler a year ago. It came only a few days before the company is expected to sign the first planning agreement with the Government. A prolonged stoppage at Linwood would threaten the timetable for launching the company's new small car, the 424, in August. The dispute started last Friday when 400 men in the body assembly works walked out in support of the four. Yesterday they were supported by a meeting of Transport and General Workers' Union members. Shop stewards, accusing Chrysler of mismanagement of the Linwood plant, then demanded an inquiry by the Government and the Scottish TUC. At Ford's the stoppage occurred at the Halewood plant, Liverpool. Output in the body shop was halted by a strike which began when 30 men in the metal assembly area stopped work in support of a colleague disciplined for going home early. The company laid off 700 men on the shift, but offered to provide work for the other 800. A mass meeting followed at which the men decided they would all stop work. Work continued on final car production, transmissions and in the press shop.

Disciplined

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FEATURES

Table listing various features and their page numbers: UNCTAD on common fund for commodities, A snap approach to non-proliferation, The oil price level, Aircraft, Ind. prepares for State ownership, S. Africa and the foreign money taps, French elections, Australia's economy, FT SURVEY, Packaging.

ON OTHER PAGES

Table listing other pages: Appointments, Arts, Business, Company News, Crossword, Entertainment, Farming and Raw Materials, Foreign Exchanges, FT-Accuracy Indices, Home Contracts, Home News and Radio, Int'l. Company News, Labour News, Leading Articles, Letters, Lor., Lombard, Mon and Masters, Mining News, Money Market, Overseas News, Parliament, Management Page, Racing, Saleroom, Share Information, Stock Exch. Reserve, The Technical Page, Today's Events, TV and Radio, Unit Trusts, Wall St. & Overseas, Weather, Wine, World Trade News, Base Bonding Rates, OFFER FOR SALE, G.L.C. 15th, 1977, ANNUAL STATEMENTS, Cable Trust, County Bank, Dawsons & Partners, Francis Industries, Coppen Cons., Leyland Bank, Lend Lease, S.K.P., Midg. Sec., Wagon Finance, INTERIM STATEMENTS, Leisure & Gnt. Hgs., Staff, Peatry Hds., Base Bonding Rates.

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Vertical advertisement on the left side of the page, partially obscured by other content.

LOMBARD

Paris in the spring

BY MALCOLM RUTHERFORD

A FEW DAYS ago a French football team called St. Etienne, but more popularly known as 'les verts', beat Liverpool by one goal to nil. The margin was small and European cup matches, like French elections, have a second round where the result can be quite different from that of the first...

No rivalry

Clearly the French would like a Foreign Secretary of their own in much the same mould. The present Foreign Minister, Mr. De Gaulle, is in his sixties and was previously Ambassador to the United Nations...

Little apathy

What matters is that it appears to be a good, dirty fight which the people are enjoying. There is very little apathy. The debate has focused attention on what might happen if there is a victory of the Left, but it has done so in a practical way...

RACING

Acquaint has the edge

RACEGOERS at Plumpton to-day should not leave before the late afternoon race. Flying Huguette, the 2-mile Wallards Hurdle...

- FLUMPTON 2.15-Cold Henry, 2.45-Gold Victory, 3.15-Royal Radolt, 3.45-King Bruce, 4.15-Flying Huguette, 4.45-Aquaint...

SALEROOM

Public battle for Mentmore

SOTHEY'S is not very popular with the dealers (and the art world generally) at the moment for advertising the Mentmore sale in May when the conservationist lobby still had hopes of the Government stepping in and buying the estate, the house, and its contents...



A Bohemian 'schwarzlot' bowl sold for £6,300.

BY DOMINIC WIGAN

Where more information would improve choice

SOMETIMES wonder whether wine merchants realise how difficult it is even for the comparatively sophisticated drinker to select wines from their lists...

BY EDMUND PENNING-ROWSELL

The wine merchants on their side, might do more to help those likely to be seriously interested. It is doubtful whether much advice is needed, to be found on the shelves and supermarket shelves...

BY ANTONY THORNCROFT

BBC to station man in Peking

THE BBC is to station a resident correspondent in Peking for the first time since the foundation of the People's Republic...

LEGAL NOTICES

In the HIGH COURT OF JUSTICE IN BANKRUPTCY, In the Matter of the Estate of JAMES G. KRIBORIAN...

TV Radio

Indicates programme in black and white. BBC 1 6.40 a.m. Open University (UHF only), 9.30 For Schools, Colleges...

F.T. CROSSWORD PUZZLE No. 3324

crossword puzzle grid with 15 rows and 15 columns.

ACROSS 1 is standing in the break to oppose (6), 4 Accountant with gold cover is conciliated (8), 10 Airman goes to demand applause (7), 11 Note to code in sorrow (7), 12 Part of hospital that is a drawback? (4), 13 Plant making ring low in iron and Rüntgen (4-6), 14 Cut of meat, good in France, should have a medal (6), 15 Our name could be charrn (7), 16 Returning lever to railway could be fun (7), 21 Pinch the nose of an informer (6), 24 Very timely like a shower (16-1), 26 The heart of improper support (4), 28 A canteen for soldiers (4-3), 29 Northern mother insect that is gigantic (7), 30 Prevent socialist being hindered (8), 31 On foot like soldiers marching (6).

11.55 Weather/Regional News.. All Regions as BBC 1 except at the following times: Wales-5.55-6.20... Scotland-5.55-6.20... Northern Ireland-5.55-6.20...

12.00 News. 12.05 Goodbye Longfellow Road. 12.10 'Biz Mother' and 'Old Day By Day'. 12.15 Close. Olaf Pooley reads a poem written by George Herbert.

1.20 p.m. Open University. 1.40 Play School. 2.15 p.m. Other People's Children. 2.30 Ardour. 3.00 Reading: The Signs and Symbols. 3.30 Parents and Children. 4.55 Open University. 6.00 News on 2 Headlines. 7.45 Zorro. 7.50 Newsday. 8.10 Chronicle. 9.00 Three Piece Suite. 9.50 The Man Who Needs British Leyland!

SOLUTION TO PUZZLE No. 3323 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

RADIO 1 6.40 a.m. Open University. 7.00 News. 7.10 News on 2 Headlines. 7.15 News on 2 Headlines. 7.20 News on 2 Headlines. 7.25 News on 2 Headlines. 7.30 News on 2 Headlines. 7.35 News on 2 Headlines. 7.40 News on 2 Headlines. 7.45 News on 2 Headlines. 7.50 News on 2 Headlines. 7.55 News on 2 Headlines. 8.00 News on 2 Headlines. 8.05 News on 2 Headlines. 8.10 News on 2 Headlines. 8.15 News on 2 Headlines. 8.20 News on 2 Headlines. 8.25 News on 2 Headlines. 8.30 News on 2 Headlines. 8.35 News on 2 Headlines. 8.40 News on 2 Headlines. 8.45 News on 2 Headlines. 8.50 News on 2 Headlines. 8.55 News on 2 Headlines. 9.00 News on 2 Headlines. 9.05 News on 2 Headlines. 9.10 News on 2 Headlines. 9.15 News on 2 Headlines. 9.20 News on 2 Headlines. 9.25 News on 2 Headlines. 9.30 News on 2 Headlines. 9.35 News on 2 Headlines. 9.40 News on 2 Headlines. 9.45 News on 2 Headlines. 9.50 News on 2 Headlines. 9.55 News on 2 Headlines. 10.00 News on 2 Headlines. 10.05 News on 2 Headlines. 10.10 News on 2 Headlines. 10.15 News on 2 Headlines. 10.20 News on 2 Headlines. 10.25 News on 2 Headlines. 10.30 News on 2 Headlines. 10.35 News on 2 Headlines. 10.40 News on 2 Headlines. 10.45 News on 2 Headlines. 10.50 News on 2 Headlines. 10.55 News on 2 Headlines. 11.00 News on 2 Headlines. 11.05 News on 2 Headlines. 11.10 News on 2 Headlines. 11.15 News on 2 Headlines. 11.20 News on 2 Headlines. 11.25 News on 2 Headlines. 11.30 News on 2 Headlines. 11.35 News on 2 Headlines. 11.40 News on 2 Headlines. 11.45 News on 2 Headlines. 11.50 News on 2 Headlines. 11.55 News on 2 Headlines. 12.00 News on 2 Headlines.

information  
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Wells  
barges  
review

# New shows

by WILLIAM PACKER

Connell is now embarking on his new programme year at the Hayward, hoping to get under way on painting in the afternoon, further hours of Art and Arts, and a more ambitious than usual.

Three exhibitions, each able in its particular way without being at all or controversial, are being directed instead of activities inherent in the art, and the measure of achievement.

## view

# fresh light on Degas

by DENYS SUTTON, Editor of Apollo

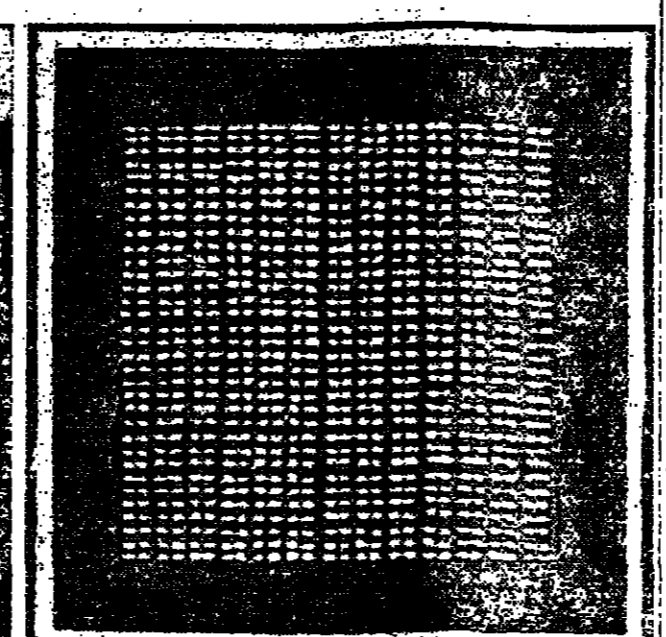
Books of Edgar Degas done Ref. Oxford, £48.00. 1,230 illustrations. *The Artist's Mind* by R. Ref. Thames and £15.00.

Degas was perhaps the latest of all the great masters of his time and the greatest secrecy private life. When ill-meaning George Le an allusion of a article, he appears in English, furious and dropped breath was never.

Edgar Degas was perhaps the latest of all the great masters of his time and the greatest secrecy private life. When ill-meaning George Le an allusion of a article, he appears in English, furious and dropped breath was never.



Left: Edward Weston, Tomatofield, Monterey Coast. Right: Agnes Martin, Islands No. 1



not justifying the enthusiasm of its apologetes. Most importantly, we may begin not to put her down, but to put her in her place. Miss Martin is evidently and, perhaps unexpectedly, a romantic. Her work rich in association and resonance. In the earliest work, dating from the late 60s, indeed in the very first picture in the show, we see how close she was at the time to the overly, romantic strain in American abstract expressionism, to Rothko in particular.

Some of the most charming notebooks deal with Degas's journeys to Italy and show how closely he studied the work of the early Masters by Domenichino. He was keen on a painter such as Signorelli who, it so happens, intrigued Jacob Burckhardt at about the same time and was later to fascinate Bourget and Roger Fry. One of the most artistic sketches in the notebooks is a water-colour drawing of Naples, which reminds us of Degas's connections with that city and that it is a mistake to overlook the Italianate strain in his character.

Degas was a man of keen artistic curiosity and the Notebooks reveal that he looked at works of art of many different types. Assyrian bas-reliefs, Greek and Japanese peasant types, a horse from the Parthenon as well as the works of a 19th century master such as Delacroix. Understandably he undertook considerable pictorial research for his few historical pictures—but Prof. Ref. emphasises that Degas's paintings of modern life were often directly based on drawings in the Notebooks.

Another major aspect of Degas's development to emerge from the Notebooks is that he began his study of horses racing, not at Longchamp but in the Luxembourg Museum. There he systematically copied from left to right all the animals in Géricault's 'Cinq Chevaux Vus par la Groupe' in a Notebook of about 1858 and in his earliest pictures of racing courses he rendered of the horses' coats and 'some of their forms can be traced to the very works he copied.' Degas was a sharp observer of human nature and his cutting criticisms are famous. The Notebooks underline his interest in the problems of physiognomic expression. He did copies after Hogarth's 'The Harlot's Progress' and 'The Rake's Progress' and drew a number of caricatures, one of which is of Jacques Tissot, done in

the paper's surface, inviting the eye to pass through into the narrow. She is a remarkable and unselfconscious, work very well. Amplified to a vast scale, the informing ideas become swamped by the enormity of the undertaking itself, the obsessively worked surface and the clinical fussiness of it all: which is not to say that many of the paintings are not beautiful things in themselves.

The early part is especially useful, for it shows us clearly an artist setting the course that he is to follow, perhaps for ever. Cubism and Pointillism are both studied, and brought together; and then the work of Americans such as Johns and Rauschenberg and so we see Stephenson being drawn into the conceptual abstraction that engages us still. It is very serious work, and worthwhile. The smaller works, which include most of the early pieces, comparatively free and unselfconscious, work very well. Amplified to a vast scale, the informing ideas become swamped by the enormity of the undertaking itself, the obsessively worked surface and the clinical fussiness of it all: which is not to say that many of the paintings are not beautiful things in themselves.

Enthusiasm abounds in German theatre. Plays are all too often victims of mood or madness—sometimes they seem to be dutifully programmed that way. The exception is the Frankfurt Schauspielhaus, where for the greater part of this decade Peter Palitzsch and his ensemble have combined strong passions with strong control, always keeping contact with the technical staff, and another democratically chosen actor listens to the suggestions and grievances of the acting ensemble.

It worked well enough for a half-decade. The ensemble moulded itself into a polished, performing 'unity-of-concept' tool of the director, many young actors establishing themselves (to be lived away to green pastures in other cities where film and TV offers are plentiful). Palitzsch was a moral, if not inspirational guide, for a fold of younger directors who consistently showed up at the annual Berliner Theaterfesten with something original or exciting in the hand. Hans Neuenfels, Peter Löscher, Frank Patrick Steckel, Luc Bondy, and Horst Laube (also the house Dramaturg) have made their names at Frankfurt, or at theatres strongly aligned with the essential ideas (the Schaubühne in Berlin, Klaus Gelhaar and Erich Wonder handled, capably most of the production designs. Occasionally, a house author of sorts appeared on the scene as well.

Frankfurt's (and Palitzsch's) strong suit was a critical analysis of the classics. Shakespeare, Lessing, Bösen, Gerdt, Wedekind, Chekhov, the best of O'Casey, the little-known side of Brecht, the strongest of Bond's plays—all

# I Vespri Siciliani and Julius Caesar

by ELIZABETH FORBES

Verdi composed Les Vêpres siciliennes specifically for the Paris Opéra at a period when spectacle was the most important ingredient of the performances at that establishment, so it would be grateful to complain of the lavishness with which Ulrich Brecht stages the work in his new production for the Deutsche Oper in West Berlin. He peoples the world with an army of French soldiers, half the native population of Palermo, not to mention a cardinal and priests, nuns and acolytes in rich profusion. But by framing an historical event, the massacre of the occupying French by Sicilian patriots on March 30, 1820, in such realistic settings, he does invite legitimate comment on the many deliberate anachronisms.

The crowded tenements in the main square of Palermo, the towering walls of the black prison courtyard with their numbered cell windows, are extremely impressive, but they suggest early 19th-century Germany rather than late 18th-century Sicily, and evoke the world of Berg and Büchner, not that of Verdi and Scriba. The Romanesque arches of the Governor's Palace and the Cathedral are most effective, but the enormous figure of Christ on the cross behind the altar in the final scene offended the first night audience, and had to be removed for subsequent performances. The massacre takes place inside the Cathedral, by wedding shut the doors and setting the building on fire—an historic, but acceptable solution in the context of Scriba's libretto.

Robert Kerns does not possess the heroic baritone voice for which Verdi wrote the crucial role of Guy de Montfort, but by intelligent singing and clever characterization he makes his appearance in the opera as a superb moment near the end when Freda, near bankrupted by the love of a young-looking Proccida, is contemplating suicide. Despite these disfigurements, the production, directed by Erhard Fischer and designed by Wilfried

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## Festival Hall

# Rostropovich

Mstislav Rostropovich is about to be 50, and he is the sort of man for whom people queue up to give birthday parties. His Birthday Concert with the London Symphony on Sunday was an occasion of much warmth and goodwill, and the proceeds are to go to the Queen's Silver Jubilee Appeal.

As always, Rostropovich played with a golden tone, freshness and extraordinary commitment. In the main work, Strauss's *Don Quixote* it was a delight to watch him flinging himself into each of his momentary duets with the lead violin as if they were carrying the evening together. Perhaps Rostropovich sees himself as a slightly quirky figure—his identification with the central role is so vivid that even a deaf audience would find it fairly impressive. No doubt in deference to the occasion, the lesser soloists were not identified: the violist—Mr. A. Taylor, perhaps—made some thing sturdy and sharp of his

Sancho Panza. The conductor Norman Del Mar, a knowledgeable Stravinsky, dwelt lovingly on details, but the work of boldness piece together—a light take—largely fell to the cellist. I ought to mention the episode of the sheep, which might as well be omitted if it isn't funny: Del Mar made it very funny.

Chalkovsky's *Variations on a Rococo Theme* and the familiar interludes and Passacaglia from Britten's *Peter Grimes* completed the programme. Rostropovich's way with the Chalkovsky is arguably more audibly than the composer may have expected, but it charms; if some of what he finds in the music is what he puts there himself, it all sounds happily found. The Britten pieces sounded entirely idiomatic. As in the Strauss, there was sometimes an excess of enthusiasm over finesse: the 'Storm' seemed to consist largely of frenzied playing, with more theatrical effect than musical. DAVID MURRAY

# EUROPEAN NEWS

## THE FRENCH MUNICIPAL ELECTIONS

### Unity is strength for the Left in poll of vital importance

BY DAVID CURRY IN PARIS

OVER THE next two Sundays, some 35m. electors will have the chance of electing some 475,000 councillors for six-year terms in 36,383 communes in France and a scattering of overseas departments.

This year's municipal battle has exceptional importance because a year hence France faces a general election which could well bring to power a Socialist-Communist government committed to an extensive programme of nationalisation.

This left-wing alliance failed by a hair's breadth to put M. Francois Mitterrand in the Elysee in the Presidential election of 1974. This month for the first time the parties of the Left are fighting the municipal elections together. Their results will be read as a pointer towards the general elections—and the signs are that the Left will make significant gains.

Candidates stand for office on a party list, but the party here is quite often a purely local grouping of interests. To win outright a list must command more than half the votes cast; otherwise the finalists face a run-off the following week to decide by a simple majority. In the towns with populations over 30,000 lists collecting more than 12½ per cent. of the votes in the initial round go through to the final.

In the smaller communes the voter is allowed to some extent to pick and choose among the lists or to modify the order on which candidates appear on the list. This has the effect, to some degree, of depoliticising the contest.

The crunch comes in the towns of more than 30,000 inhabitants. Here each party must present a list of names equivalent to the number of seats being fought and the voter must simply take it or leave it. The lists may not be modified between the two votes.

This system of "blocked lists" clearly sharpens the political division. It puts the onus on parties of broadly similar character to compose joint lists from the beginning. Failing this, the weaker of such lists after the first round will be expected to throw their votes to the survivor most representing the common view.

It is in the formation of joint lists that much of the excitement

about the present elections lies as both governing conservative parties and the opposition have combined to an unprecedented extent.

In the 221 towns of more than 30,000 people the parties of the Left will be presenting just short of 10,000 candidates on joint lists including 3,497 Com-

#### The mayors are key people and the election is fought in each town as a mini-Presidential contest for the town hall.

munist and five fewer Socialist. The remainder are heterogeneous left-wing candidates.

In more than 200 towns the left is going united into the first round. This has important consequences, because it means that the Socialists are making a present to Communist candidates of council seats in hitherto exclusively Socialist territories. The Socialists are making available some 249 seats to Communists in return for some 78 places on Communist-led lists in the ten towns under previously exclusive Communist control. The Communists stand to gain an entire into 26 towns previously the fief of the Socialists and their allies.

The most spectacular gain will be at Lille, where the Socialist mayor is M. Pierre Mauroy, the number two in the national party, a Social Democrat strongly tinged with liberalism in an area where Socialists have traditionally harvested some votes from middle class people anxious to keep the Communists out of power. M. Mauroy is heading a list containing ten Communists. Grenoble is another town where an effective joint campaign is being waged for the first time since the Liberation. The importance of the Communist advance lies as much in the patronage it will bestow over local jobs in the bureaucracy as in the direct practical power conferred.

The alliance is not all sweetness and light. In Marseille, M. Gaston Defferre, the long-time Socialist boss as much known for his luxury yacht as for his philosophy, has refused flatly to accommodate the Communists and the two parties will face the

first vote with competitive lists. On the Conservative side the spectacular quarrel at Paris is something of an exception. The Giscardiens, the Gaullists, and the centre and radical groups who compose with varying degrees of loyalty the "majority" have formed joint lists in all but around 20 towns.

Delmas was mayor of Bordeaux and Prime Minister of France. M. Mauroy is the number two in the Socialist Party and a local MP. M. Olivier Guichard, the Gaullist Justice Minister, is Mayor of La Baule in Brittany. M. Gaston Defferre is Mayor for Marseille and MP for Bouches du Rhone. The Interior Minister, M. Michel Poniatowski, is Mayor of L'Isle Adam outside Paris, and M. Francois Mitterrand is Mayor of Chateaufort which also helps to send him to Parliament.

To have a mayor or an MP who is in the Government opens the door to important economic patronage and development aid for a region. While to win one's spurs at local level and to combine this with a political job in a minister's cabinet is the gold-paved road to ministerial office.

Hence, throughout France, candidates "parachute" into towns attempting to conquer a local power base. In Le Havre M. Antoine Rufenacht, aged 37, fresh from the Prime Minister's office, is fighting to convince the electorate that "A Communist town is a sad town." The most famous "parachutist" of all is M. Michel D'Ornano, Mayor of Deauville, Minister of Industry, picked by President Giscard d'Estaing to try to wrest Paris from the Gaullists. He is opposed by the leader of the newly refurbished Gaullists, M. Jacques Chirac.

Their opponents along with the ecologists, are the Democrats, led by the former Foreign Minister M. Michel Jobert, the National Front (Paris for the Parisiens), and a royalist party seeking the creation of a constitutional monarchy.

Inevitably it is the Paris battle which has dominated the headlines. Partly this is because of the spectacular battle between Giscard d'Estaing's nominee M. Michel D'Ornano and his Prime Minister of only nine months ago M. Jacques Chirac, the Gaullist leader.

Partly, too, it is because Paris is at last a prize worth winning; it has just been endowed with full municipal powers and freed from the tutelage of central government. At the moment the Left holds only five of the city's 18 constituencies; the latest polls show it a whisker away from a victory which would be a shattering blow to the Government and would be read as a chilling portent for the general election.

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Soldier in the Romanian town of Brasov carries off what remains of his belongings after the earthquake.

## Relief supplies arrive in Romania

BUCHAREST, March 7.

RELIEF SUPPLIES from abroad have begun arriving here in response to Romanian appeals for help following Friday's earthquake, in which several thousand people are feared to have died.

Romania had appealed to the United States, Britain, France and West Germany for a wide range of medical supplies, including mobile operating theatres. A U.S. cargo aircraft was due here today, a U.S. embassy spokesman said.

The first foreign relief, from the Austrian Red Cross, arrived here last night. The Swiss Government has provided a team of "sniffer" dogs to help rescue workers searching for people trapped in the rubble.

An informed diplomatic source in Bucharest said Romania had asked West Germany for food and tents. "This leads us to the conclusion that the food and housing situation is not as good as originally thought," the source said.

According to the last official count, issued yesterday, about 600 bodies had been found, but a Romanian source said later that figures of 750 dead and 5,000 injured would be a

"gross understatement." Unofficial estimates put the death toll up to 4,000.

The earthquake, felt over a huge area of Europe, also killed at least 50 people in neighbouring Bulgaria, according to latest official figures issued in Sofia and quoted by the Yugoslav news agency Tanjug.

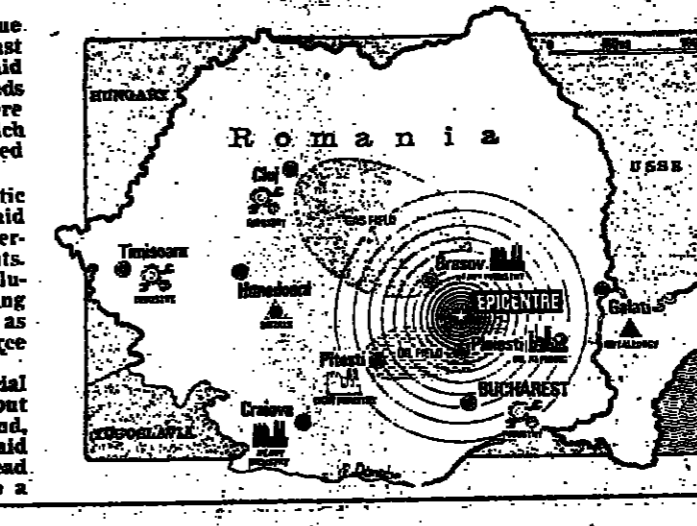
To-day was the first working day since the earthquake and much of the labour force went to their jobs in the capital. Shops were open in buildings that were not damaged but the centre of Bucharest was still off limits as troops and rescue workers continued the search.

People have been evacuated

from 3,000 flats left unsafe by the earthquake. Troops stood guard outside many homes to prevent further fatalities in case survivors attempting to salvage their belongings should bring the buildings down.

In London the British Red Cross Society launched an urgent appeal for cash. A spokesman said: "Before the end of the day we will receive a full list of supplies which are needed by Romanian Red Cross relief workers on the spot. To be in a position to help we need money—quickly."

The Foreign Office said that £20,000-worth of drugs and equipment would be flown out. Agencies



## E. Geremek boosts worker militia

BERLIN EAST GERMANY is its workers militia, an attempt to possible unrest, sources said today the Government has militia heavy weapons been rejuvinated members of the arm. Militia training manoeuvres have frequent since the pea civil rights spread to East G last year and Es openly demands move to the West, said.

The Communist lished the militia officially are call groups after the German workers' were set up as a pr case a new revolt by militia, estimated y members, is direct to the party point composed of worke yards and members farms who are reliable.

The sources sa militia now has abou and heavy machinef armoured cars and troop carriers. Men every eight to ten v are reportedly call four to five weeks.

Our Warsaw writes: Barasman in the town of R the worst of last a and detention of sy the unofficial Wor Committee were committee sources These are the fir their kind since Edward Giersek clemency to arrest. However, victed rioters still the beginning of

According to th paper Trybuna Lu gave Polish journa recently at which moderate line to test campaign aga of workers.

"It is not dang system, it is not the state and it is to our party," he s Mr. Giersek repu that competing sures for investr currently account the problems and faces.

THE FINANCIAL TIMES, 11, Broad Street, London, E.C.4. Telephone: 01-553 2000. Second class postage paid at New York, N.Y.

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EUROPEAN NEWS

Davignon welcomes plan for Belgian steel

DAVID BUCHAN BRUSSELS, March 7. Government plan for the steel industry was also welcomed by Davignon...

Kohl invites FDP to transfer allegiance

By Adrian Dicks DUSSELDORF, March 7. HERR HELMUT KOHL, leader of the West German Christian Democratic (CDU) opposition...

Concorde campaign rises to fever-pitch in France

BY ROBERT MAUTHNER PARIS, March 7. THE FRENCH campaign to obtain landing rights for Concorde at Kennedy Airport...

Soares is hopeful on EEC after Paris talks

Dr. Mario Soares, the Portuguese Prime Minister, who had talks here today with President Giscard d'Estaing...

Nine may extend fishing accord with E. Europe

BY ROBIN REEVES BRUSSELS, March 7. Ireland to drop its ban on vessels of 110 feet and over from fishing in a zone varying from 50 to 100 miles off the Irish coast...

U.K. prepared for court action against NY Port Authority

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT THE U.K. Government is prepared to take action in the New York court as early as next Tuesday...

Norway bank plan

A Bill proposing measures to make Norway's commercial banks more democratic was tabled by the Labour Government at the weekend...

Finnish strike

About 140,000 Finnish metal workers started a two-day strike yesterday in what threatens to become a wave of stoppages...

Soviet Baltic force

Six Soviet submarines, capable of firing nuclear missiles, appear to be permanently stationed in the Baltic...

FOR 64 G AND FORTY-NINE THAT ARE ENTIRELY RATIONAL.

Advertisement for Volvo 264 GLE. Includes a list of 49 features such as '1. The engine is a fuel-injected, light alloy head-cam V-6', '27. The brake pipes are made of a rust-resistant alloy of copper and nickel', and '49. Servicing is at intervals of 6,000 miles'. Also includes a 'THE SAFETY FEATURES' section and a 'THE NEXT STEP' section with a coupon for a brochure.



JP... 150

OVERSEAS NEWS

Higher taxes blow for S. Africans

QUENTIN PEEL JOHANNESBURG, March 7. STANTIAL increases in income tax and taxation were announced by Mr. Owen Horwood, South African Finance Minister...

Mrs. Gandhi tries to defuse vasectomy poll issue

NEW DELHI, March 7. SIGNS that Mrs. Indira Gandhi, the Prime Minister, is finally appreciating the major impact of the Government's sterilisation programme...

Uproar over Governor General as Queen leaves New Zealand

QUEEN ELIZABETH began her controversial jubilee tour of Australia today after leaving New Zealand, which is now in political uproar over the appointment of a new Governor-General.

AUSTRALIA'S ECONOMY

Reflation pressures start to build up

THE CREDIBILITY problem which the Australian Government created for itself with an excessive and badly-managed devaluation last November has become the biggest obstacle to its hopes for an orderly economic recovery in the next 12 months.

plan

Chief financial spokesman for the opposition Progressive Reform Party, as 'dub' to Government mismanagement.

Angered

More than 7m. people had vasectomy or tubectomy operations last year as a result of the sterilisation programme...

Stimulate

With few exceptions, the big business organisations, backed by most trade unions and a large section of the metropolitan Press...

Solidarity call at Afro-Arab talks

Cairo, March 7. CAN AND Arab leaders at their first joint summit today with expressions of solidarity and warnings that words be translated into actions...

Popular mood

The Janata Party campaign has also been helped by the disappearance of the popular fear of authority. People in the northern states are no longer afraid to flock to Janata meetings...

Continental Bank of Chicago provides a fast efficient service.

Palestinians prepare for Cairo session

BEIRUT, March 7. PALESTINIAN leaders here are preparing for a crucial session of the Palestine National Council which is due to open in five days time.

Libya to raise oil production

TRIPOLI, March 7. LIBYA expects to produce an average of 2.4m. barrels of oil a day in 1977.

Continental Bank is in the United Kingdom for many reasons. One of them is to offer your business a global banking network for handling all transactions accurately and fast.

Time to act on Eritrea

BEIRUT, March 7. ERITREAN Liberation Front leaders here are calling for a summit meeting in Cairo to set up a special committee to find a political solution to the Eritrean problem.

WORLD TRADE NEWS

U.K., Germany and France in talks on new airliner

BY DAVID CURRY

PARIS, March 7.

IT IS understood that preliminary contacts about the formation of a new European aircraft-building joint venture have taken place between French, German and British companies.

The aim is to see whether an existing European aircraft can be modified to suit the needs of European carriers, looking for a 130-150 seats machine flying distances of around 2,000 miles.

VFW-Fokker denial

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

VFW-Fokker, the aircraft combine formed by VFW of West Germany and Fokker of Holland, is to continue, and suggestions that it is breaking up are described by the group as "biased and in part malicious."

Yugoslavia passes new trade laws

BY A. LEBL

BELGRADE, March 7.

THE YUGOSLAV Parliament has passed three important laws regulating foreign economic relations. They cover foreign exchange and credit, exports of goods and services, and the foreign economic activities of Yugoslav organisations.

The common feature of all the laws is their implementation of the constitutional principle that the basic cells of production, so-called Basic Organisations of Associated Labour (BOALs), must have the decisive say in all economic matters, including foreign activities.

New style guarantee

BY ERIC SHORT

THE Credit and Guarantee Insurance Company is introducing a new style of guarantee for exporters as an alternative to the normal type of bond issued by the banks and the Export Credit and Guarantee Department.

India plans export boost

BY K. K. SHARMA

NEW DELHI, March 7.

INDIA'S Commerce Ministry plans a substantial increase in exports in fiscal 1977 and is expected to fix the export target at Rs.60bn. (\$4bn.), compared with the current year's target of Rs.45bn.

Japan to revise energy plans

BY DOUGLAS RAMSEY AND YOKO SHIBATA IN TOKYO

THE JAPANESE Ministerial Council on Energy Policy, new comprehensive energy programme, these were the pro-Mr. Takeo Fukuda, has decided to revise the current long-term energy supply and demand projections in view of recent consolidation of energy supplies, the establishment of a system for securing an ample supply of energy, promotion of prepared in December 1975, and envisaged an increase in Japanese nuclear power generation to 40m. kilowatts by fiscal 1980—but this now seems difficult, it said.

JAPANESE WHISKY MARKET

Battle over duties begins

BY DOUGLAS RAMSEY AND YOKO SHIBATA IN TOKYO

JAPAN'S WHISKY distillers have launched a counter-offensive to stave off any reduction in duties on imported whisky. In a vehement defence against letting a foreign (mainly Scotch) brand take any more than their present share of the whisky market.

"We have ECGD cover because we can't wait years for payment"



"Our markets are worldwide—wherever ships are being built. A fact of life in our business is the length of time involved in a shipbuilding contract, which can be between 2 and 5 years.

Bill Ingles is Sales Manager for Brown Brothers, internationally known specialists in marine engineering as suppliers of stabilisers and steering systems. They have invested heavily both in plant and research and development with future growth in mind.

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To make an appointment or for information contact the Information Officer, Export Credits Guarantee Department—writing reference FTF—at Glasgow, Belfast, Leeds, Manchester, Birmingham, Cambridge, Bristol, London, West End, Croydon or Tottenham Offices; or Joan Swales, Information Section, ECGD, Aldermanbury House, London EC2P 2EL. (Tel. 01-606 6609, Extn. 285).

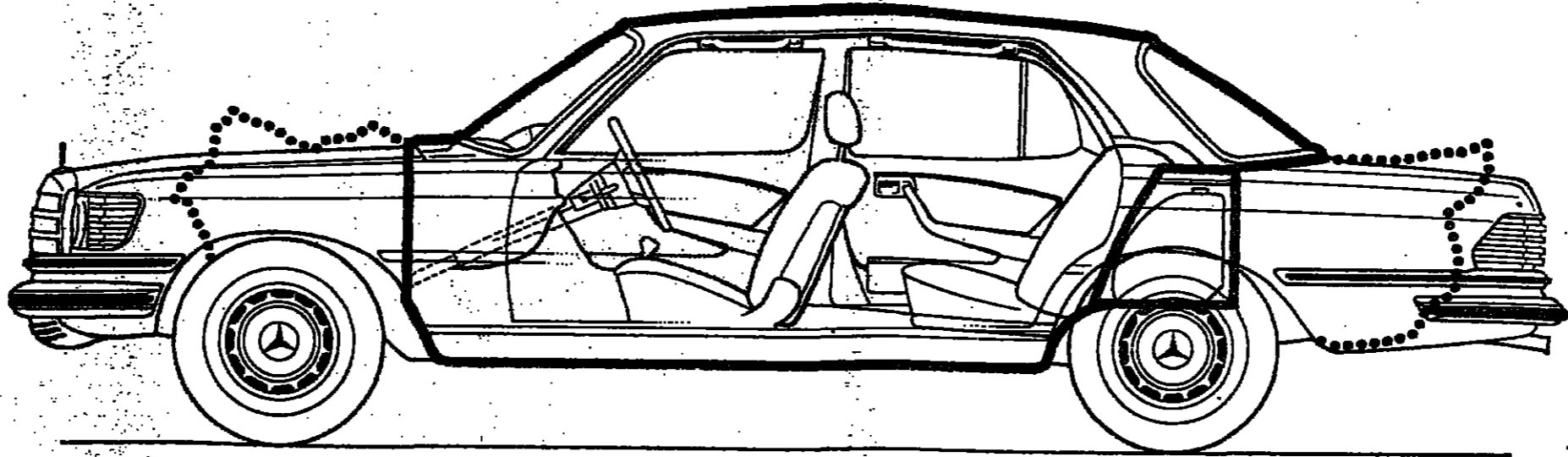
Advertisement for Canadian National site-seekers. It features a large graphic of the word 'CANADA' and a form for requesting information. The text includes: 'CN's remarkable free offer!', 'When it comes to plant site selection, Canadian National Railways covers all of Canada—coast-to-coast—strategically located in the vast North American market. And here's how CN's Industrial Development function wraps it up for you: 1. Up-to-date outline of Canadian facts and CN services. 2. Complete, confidential site location analysis. 3. Continuing follow-up to help you decide. Talk to the people who know Canada best. Send for all of Canada. Lawrence MacIsaac, General Manager, Industrial Development, Canadian National Railways, P.O. Box 8100, Montreal, Que., Canada H3C 3W4.

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المرسيدس

# As we invented the car we feel a special responsibility for its safety.



Safety was probably the last thing on Karl Benz's mind when he put the world's first car on the road in 1886.

Today, with around 250 million vehicles crowding the world's roads, it's a completely different story.

Safety is a priority.

But unlike many car manufacturers, who have been forced to go back to the drawing-board and re-think their attitude, safety has been a Mercedes-Benz feature for over 40 years.

We don't think our lead is something to be particularly proud of. Car safety shouldn't be competitive.

We maintain every car should be as safe as a Mercedes. And that every car should be based on our concept of total integrated safety.

**Every Mercedes is built around a central safety feature.**

In 1951 we patented the world's first passenger safety cell. We then spent a further eight years perfecting it. And ever since it's been a reassuring feature of every Mercedes.

With impact-absorbing crumple-zones front and rear, reinforced pillars and roll-over protection in the roof.

It gives Mercedes drivers the kind of all-round safety to which we believe all drivers are entitled.

Progressively we've pioneered and developed every other kind of 'passive' safety asset. From the collapsible steering column, burst-proof locks, deformable, non-splintering materials, right down to the specially sprung three-pointed star on the bonnet.



Many of them have been Mercedes safety firsts we've been happy to see other manufacturers quickly adopt.

And on our current models we've protected the petrol tank with a formidable steel shield. Because we feel that, if the worst should come to the worst, driver and passengers should stand the best possible chance of survival.

**A Mercedes is designed to avoid trouble as well as survive it.**

Nobody likes to talk about accidents and injury. Least of all us.

That's why you'll discover a Mercedes is equally strong on 'active' safety. (The phrase itself is another Mercedes safety original.)

Precise handling, confident road-holding, zero-offset steering, all-round visibility, dirt-resisting lights, rain-diverting channels, ergonomically designed controls—they're all Mercedes advantages that help make you a more relaxed, safer driver.

Altogether you'll find that a Mercedes car incorporates over one hundred of these 'passive and active' safety features.

We don't think anyone will ever succeed in building the absolutely safe car.

There are too many uncontrollable variables. Like the roads, like the driver.

But we'll never stop trying. Because, ultimately, we realise that the day we stop trying is the day people will stop preferring Mercedes-Benz.

**Mercedes-Benz. The way every car should be built.**



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HOME NEWS

Councils may join Leyland plan for new B15 bus

By IAN HARGREAVES, INDUSTRIAL STAFF

A PLAN for local authority shareholdings in a reshaped British Leyland bus division is being considered as part of a scheme to get Leyland's £15m B15 double-deck bus programme off the ground.

Some details of the scheme, in which London Transport and the Greater London Council have been prime movers, emerged in a speech by Mr. Jim Daly, chairman of the GLC transport committee.



Dr. John Gilbert, the Transport Minister, took the wheel of Leyland's new B15 double-deck bus in London yesterday. This prototype of a new generation of buses is to begin intensive evaluation trials in the City

Co-op Insurance raises car rate

By Eric Short THE 700,000 motorists insured with the Co-operative Insurance Society face a 12 per cent premium increase from April 1. The society which last raised charges exactly a year ago, blames rising cost of repairs, spare parts and claim settlements.

Tikkoo flies out engineers to repair oil tanker

By JOHN WYLES, SHIPPING CORRESPONDENT

MR. RAVI TIKKOO yesterday flew eight Belgian and West German engineers into Le Havre to carry out emergency repairs on his oil tanker Globtik Venus after what the tanker owner claimed to be two acts of sabotage by its Filipino crew.

Mr. Tikkoo's special band of recruits from Humberside wrested control of the Globtik Venus from the Filipinos last Tuesday night. This is standard procedure in a situation where the Attorney-General wants more information on a particular matter.

Judge will hold Windscale inquiry

By David Fishlock, Science Editor

MR. JUSTICE PARKER, 54, who as Mr. Roger Parker QC was chairman of the court of inquiry into the Windscale explosion in 1974, is to hold the public inquiry into British Nuclear Fuels' plans to build a new 1,000-tonne reprocessing plant at Windscale.

Most of Frigg gas reserves may be in Norway sector

By RAY DAFTER IN LONDON AND FAY GIJSTER IN NORWAY

BRITISH GAS will probably have to pay more for its new supplies of offshore gas as a result of a study on the Frigg Field. The conclusion, however, is that Frigg is much more important than British.

Retailers say price curbs in reduce

By Eliner Goodman, Affairs Correspondent

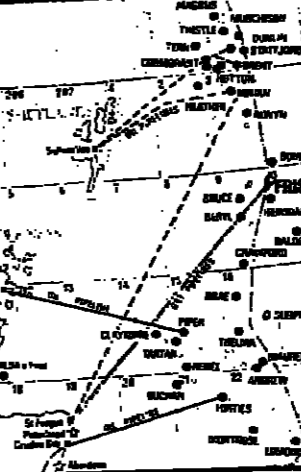
THE RETAILERS yesterday warned that unless drastic measures are taken to adjust the cost of raw materials, an increase in prices would be inevitable.

Precaution

The chemical plant British Nuclear Fuels wants to build, to reprocess spent nuclear fuel from a new generation of U.K. power stations, will have no serious problems with stored energy content.

Swing

The report has been prepared by U.S. consultants DeGeyer and Macnaughton. It is believed to show that about 90 per cent of the reserves lie in Norwegian waters.



Lloyds Bank chief hits at State takeover plan

By MICHAEL BLANDEN

SIR ERIC FAULKNER, chairman of Lloyds Bank, made a strong attack on advocates of nationalisation of the big banks in his annual statement to shareholders yesterday.

Freight charge move by Fair Trading Office

By Our Consumer Affairs Correspondent

THE SCALE of minimum charges the Institute of Freight Forwarders recommends for members was put on the Register of Restrictive Practices yesterday.

Rule will make gas safer

NEW REGULATIONS aimed at strengthening the powers of enforcing gas safety were introduced yesterday.

Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons that since the end of 1972 there had been 51 successful prosecutions for breaches of gas safety regulations.

Malbert named for award

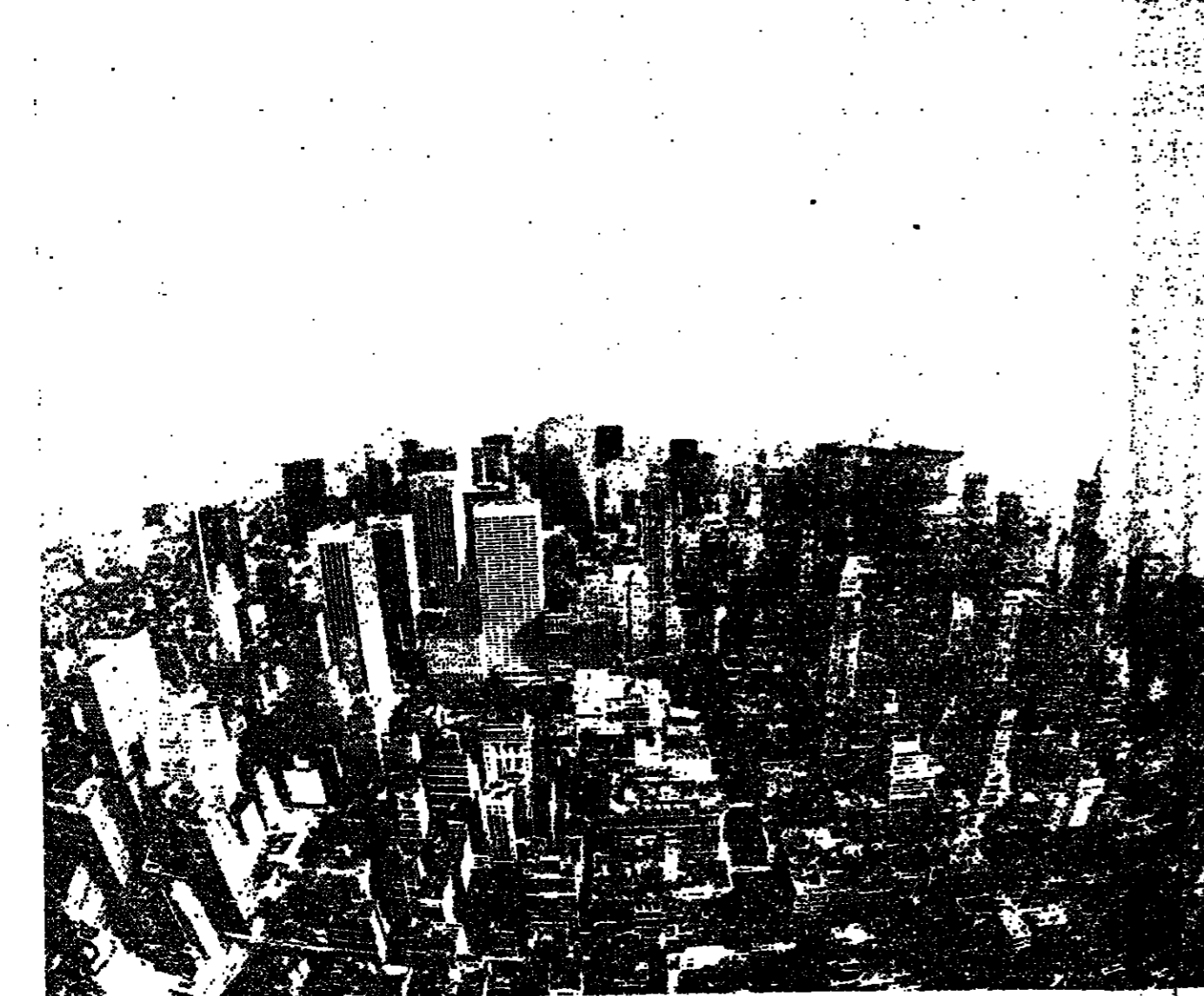
MR. DAVID MALBERT, who died on Friday, was named yesterday as joint winner of the Harold Wincott Senior Financial Journalist of the Year Award for 1978.

Call for implied terms of sale to be extended

By A. H. HERMANN

THE PROTECTION of buyers or buyers should be implied in all contracts for the supply of goods. This means that assumptions are implied in the contract that the seller owns the goods for sale or hire purchase should or is entitled to sell them, that the goods are free from charges, that their quality corresponds with that of samples and that the goods are of merchantable quality.

Daiwa Bank Trust Company is now in the heart of the international banking center.



Advertisement for Daiwa Bank Trust Company. Text includes: '75 Rockefeller Plaza, New York, N.Y. 10019', 'Presenting your American connection to full-service banking.', 'Daiwa Bank Trust Company, a wholly owned subsidiary of Daiwa Bank, Japan, is now available for general and trust banking services in New York. In addition, it can supply you with information and financial data on a global scale through our network of computer-linked offices.', 'Daiwa Bank Trust Company. The international bank to help you get to know America.', 'a fully integrated banking service', 'DAIWA BANK', 'Daiwa has branches and agencies in New York, Los Angeles, London, Frankfurt, Representative offices in Sydney, Singapore, San Paulo, Hong Kong, Joint venture banks in Jakarta, Hong Kong. In Japan, 147 branch offices.', 'Phone: (212) 869-8500, Telex: 320222, Cable: DAIWA TRUST NEW YORK, New York state chartered bank, Member FDIC, Capital funds US\$ 20 million.

SAS deny charge

By Giles Macdonald

THE TRIAL of the Air Service soldiers accused of firing on the Republic of Ireland yesterday at Dublin's District Court today, treated by the Irish as major security night in North when they had on bail.

Dockers offered extra £1,750 to quit

By Roy Rogers

DOCKERS ARE to be offered up to an extra £1,750 to quit the industry, which is still heavily overmanned in some areas despite shedding some 27,000 workers over the past 10 years.

Handwritten text in Arabic script: 'مركز ابحاث' (Research Center)

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Many medicines would not be so pleasant to take without the flavourings and colourings we supply.

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Albright & Wilson Ltd, 1 Knightsbridge Green, London SW1X 7GD. Telephone 071 235 5500

HOME NEWS

Whitbread to spend £106m. by 1979

BY KENNETH GOODING

WHITBREAD, third largest of the U.K. brewing groups, will spend £106m. on public-house and brewery investment this year and next.

Panel says end five-star petrol and cross-ply tyres

BY RAY DAFTER, ENERGY CORRESPONDENT

FIVE STAR petrol should be withdrawn from the U.K. market and radial-ply tyres should be fitted to all vehicles, according to a report from the Government-backed Advisory Council on Energy Conservation.

Energy saving 'priority plea'

BY RAY DAFTER, ENERGY CORRESPONDENT

GREATER ENCOURAGEMENT for energy saving remains as one of the main pillars of the Government's long-term energy strategy, according to a report published today.

CLARKE SECURITY SPECIALISTS WILL SOLVE YOUR ACCESS & SECURITY CONTROL PROBLEMS. We supply and manufacture a variety of CONTROLS AND ELECTRIC LOCKS AND OUTDOOR LOCKING AND MOTIVE EQUIPMENT FOR GATES - Full Installation service.

You helped us get these statistics - Now get them to help you.



This free booklet contains valuable statistical sources for businessmen, including around 130 time-saving, money-saving phone numbers.

Form with fields for Name, Company, Address, and a checkbox for 'Do you wish to receive future copies of Government Statistics and other relevant information?'



There is a touch of tradition at this year's Daily Mail Ideal Home Exhibition, which opens today at Olympia, London.

Five waste groups may form union

BY ROY HODSON

FIVE LEADING trade associations, whose members handle waste materials worth £650m. a year, are to vote soon on proposals to set up a confederation of reclamation industries.

Inflation rate fall forecast

THE RATE of retail price inflation could begin to improve this summer, according to the Institute of Purchasing.

Scottish Labour twists devolution issue

BY RAY PERMAN, SCOTTISH CORRESPONDENT

By Ray Perman, Scottish correspondent: THE BREAKAWAY Scottish Labour Party added a further layer of confusion to the devolution issue yesterday by announcing that it is to introduce its own Bill to set up an assembly in Edinburgh.

Simpler women's clothes

FINANCIAL TIMES REPORTER

WOMEN'S GARMENTS are likely to become simpler to make as designers search for ways to reduce the cost of their collections.

Lakeland mine may be reopened

By Paul Chesserlight

AN ATTEMPT is being made to bring the Force Crag mine in the Lakeland District National Park back into production.

Between 1848 and 1866, the mine produced lead, zinc and barites — an industrial mineral used in oil and gas well drilling — spasmodically.

Plans for Force Crag, although tentative at this stage, suggest only a small mining operation. Should the mine be brought back into production, the company envisages an underground staff of nine and a surface staff of six.

Yorkshire wants airport near Humber estuary

BY MICHAEL DOWNE, AEROSPACE CORRESPONDENT

A MAJOR new airport for Yorkshire and the Humber region should be built on a 1,000-acre site on Goole Moor, close to the Humber estuary, says a group of local businessmen.

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Advertisement for Greater London Council 13 1/2 PER CENT STOCK, including application details.



Advertisement for a free booklet containing statistical sources for businessmen, similar to the one on page 12.

J.P. K... 150

# A world-wide oil price muddle

By RICHARD JOHNS in Jeddah and RAY DAFTER in London

CONFLICT over oil prices has so far stayed off any appreciable erosion of prices. (Reports of Iraqi crude being offered at a discount of 30-35 cents below official selling rates may have been inspired by wishful thinking. Buyers who have sought to trace such crude seem to have done so in vain.) Only Indonesia, anxious to retain its Japanese markets, has in practice confined its increase to slightly less than 6 per cent. That was no real surprise, while formally aligning himself with the maximalists of OPEC, the Indonesian Minister of Oil assured Sheikh Ahmed Zaki Yamani, his Saudi counterpart, that he too would exercise pricing restraint.

After the Doha conference, Sheikh Yamani expressed the belief that Saudi Arabia would be able to pull down the average price increase to nearer 5 per cent, than the 10 per cent. There may have been a necessary element of bluff in the confidence shown by him, but the most rudimentary calculation lent weight to his assurance. With Saudi holding such a dominant position in the supply of free world crude, most of the oil companies accepted the premise. After all, even without any trimming by the OPEC majority, the cheaper rate set by Saudi Arabia and UAE would have had the effect of lowering the average, on the basis that between them these two could increase considerably the rate of production and their share of exports. In 1976 they produced, respectively, at daily rates of 8.58m and 1.9m barrels a day—just over a third of OPEC's 30.46m b/d output.

## Uncertain

With stock levels still high from the pre-Doha meeting buying spree of oil companies, Sheikh Yamani must have felt on safe ground in predicting a 25 per cent fall in liftings of the OPEC majority during these first three months of 1977. At the same time Saudi Arabia was aiming for a 10m b/d output in this January-March period. The accompanying table of

prices shows why Sheikh Yamani must have been confident about oil buyers: being attracted away from the dearer crudes. However, in the first two months of this year the outcome has not been at all as Sheikh Yamani predicted. To say that is not to cast doubt in any way on Saudi's intent or determination. The main factors have been climatic ones in places as far apart as the Gulf and the eastern states of the U.S.

In spite of a rated production capacity of nearly 12m b/d the Saudi output target of 10m b/d was probably the best that the kingdom could aim for because of bottlenecks, especially in transport. As it was, whether conditions were so bad and its Ras Tanoura terminal so exposed that output slumped to 8.28m b/d. Ironically tankers unable to load at Ras Tanoura went instead to Iran's Kharg Island which is much better sheltered from the elements.

## Blizzards

Furthermore, Sheikh Yamani could not have foreseen the blizzards in the eastern U.S. which has resulted so far this year in a 5 per cent increase in imports. It seems that this extra demand for heavy fuel oil has been taken up by Venezuela while the position of North African "sweet" crudes has been reinforced. Anti-pollution regulations have limited the extent to which U.S. customers could switch to sulphurous Saudi crude.

Traditional buyers of crude from the OPEC majority have also been warned against switching allegiance; a warning not without some influence because oil companies are keenly aware of the need to have secure sources of supplies, particularly after the experiences of 1973-74.

Iran threatened to blacklist companies defaulting on commitments, a warning made initially early in January when Iranian

exports had dropped by over 38 per cent. In the event Iran's output for the whole month was down 24 per cent, on the exceptionally high December level and a more modest 12 per cent on the 1976 average.

Only Kuwait, wholly dependent on its heavy sulphurous crude, was badly hit by a 44 per cent slump in January. But it is the one producer which can afford a decrease of such magnitude. Although the advent of spring should help Saudi Arabia to achieve its 10m b/d target (possibly rising to 12m b/d by June), it is now clear that the kingdom's show of force has been very much less than what was threatened.

So at the next scheduled OPEC conference in Stockholm in July, Saudi Arabia will probably be ready for a compromise: one which will be possible with

out any member losing face. It is likely, for instance, that the OPEC majority will drop their claim for another 5 per cent rise in the second half of this year. In the meantime oil companies have a tortuous course to follow. They cannot easily

offend traditional suppliers for short-term gains. This is particularly true of Iran where British Petroleum with its 40 per cent share of the producing consortium is heavily locked in. As a blending crude, Iranian light remains very important to maintain refinery mixes.

Iran is fortunate in that the present heavy demand is for lighter, sweeter varieties of crude. It knows that the ability of Saudi Arabia and Abu Dhabi to satisfy the rising demand is limited. Consequently, in the absence of an adequate Saudi replacement, companies will be prepared to stay with Iranian light and, maybe, take a balancing amount of the comparatively expensive Iranian heavy. Traditional customers will not easily ignore the warnings about switching sources, particularly when they come from Iran, which has the second biggest oil reservoir in OPEC.

## Problems of U.K. pricing policy

IT MAY take another month or two before the muddled increase in crude oil prices works its way through to the consumer—the motorist or the user of central heating oil. Even now, two months after the price revision, oil companies are uncertain about their ability to recover in full higher crude costs. For a number of major markets—particularly the U.K.—demand has still not recovered from the shock wave caused by the 1973-1974 leap in prices.

The price-cutting war still rages on many garage forecourts. In spite of the oil major's concerted attempt to do away with the discounts last year, the companies are desperately trying to hang on to market shares in one of their few growth markets. The latest Department of Energy statistics show that petrol deliveries rose by about 4.5 per cent last year as against a fall of nearly 2 per cent in deliveries of all oil products.

The oil companies see little chance of the picture improving. Indeed, a number of the majors are steeling themselves for an even slower growth in transport fuel sales this year—possibly as little as 1 per cent. With refineries still operating some 30 per cent below capacity (and it is over three

years since the four-fold rise in crude prices knocked economies and, as a result oil consumption) the competition in the market place is sure to remain. Indeed, some of the majors are selling discount petrol to independent garages which, in turn, are helping to fuel the forecourt price-cutting situation.

But the competition is becoming broader. British Gas, faced with new supplies from the Frigg Field being landed this year, has moved back into the industrial and commercial sectors. For the first time in a couple of years the Corporation is seeking large customers, a marketing move which is already being noticed by fuel oil and gas oil salesmen.

It is reported, for instance, that the gross cost per therm of middle distillate gas oil stands at 18.4p with heavy fuel oil costing 13.3p on a similar basis. However, contract gas supplies are being sold for 15.5p per therm or for 12p per therm on an interruptible basis.

This brings us to the market place reaction to the latest OPEC price rises. There is a big question mark over the oil industry's ability to pass on to customers even the impact of a 5 per cent crude price rise, let alone a 10 per cent one.

There have been hints that a number of companies are ready to apply for another round of price increases, based on past unrecovered costs but in the light of demand and competition no one seems prepared to make the first move.

It could be another month before the effects of new OPEC prices become apparent, certainly for consideration by the Price Commission. Much depends on the way that stocks are depleted and valued but even if a company felt it could justify a price application sooner, the market conditions would probably act as a brake. As one marketing director commented: "The timing of an increase tends to be determined by the slowest ship in the convoy."

In the past two years between a quarter and a third of the crude oil imports have been shipped from Saudi Arabia and the UAE—the five per cent. Most of the Saudi crude is imported by the members of the Arabian American Oil Company (Aramco) including Esso, Mobil and Texaco, although Shell has managed to acquire, through Mobil, about 200,000 barrels a day of the low-cost Saudi crude, some of which could find its way to the U.K. At the other end

of the scale BP buys very little crude from the "five per centers"—about 8 per cent from the UAE and about 4 per cent from Saudi Arabia. The bulk of BP's oil comes from Iran (40 per cent), Kuwait, Nigeria and Qatar.

As with other U.K. oil companies, this buying pattern will change as North Sea oil flows ashore in greater quantities although it looks as though the industry is valuing the British crude on a par with competing light low-sulphur oil produced, for example, by Nigeria and Libya.

As a result of all this the industry is forecasting that the average increase on crude entering the U.K. will probably be around 7 to 8 per cent overall—equivalent to a 2p-a-gallon rise across the barrel.

Few expect this to happen. What is, more predictable is that market forces will work towards general price uniformity at the retail end, even if OPEC fails to agree a compromise (and Qatar is continuing its mediation mission). With competition applying such pressures there is little likelihood of BP in the U.K.—are questioning their ability to recover even the more moderate crude price increases in the face of a static consumers' market.

## More complex

Saudi Arabia has taken extensive and unprecedented measures to ensure that oil companies do not profit by its cheaper oil and that the benefit is passed to the customer. But from the oil industry's point of view, the issues are much wider and more complex. There is the underlying need for supplies to be put on a firmer basis. The two-tier pricing system and market poaching could not last for a substantial period without a dramatic upheaval in the oil business. More fundamentally, many companies—particularly in the U.K.—are questioning their ability to recover even the more moderate crude price increases in the face of a static consumers' market.

## Steel mill contract for GEC

ELECTRICAL PROJECTS, installed at the Brynbo steel works of GKN. It includes the design, manufacture and setting of covering the complete electrical equipment for a new system and forms part of the bar and billet mill to be 247m. Brynbo development programme. Major items will be built at GEC factories in Rugby, Kidsgrove, Manchester, Blackheath, Borehamwood and Leicester.

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FER-MIAS 77 - International Market for Sporting and Camping Equipment	March 12-18
IZOO - International Exhibition of Domestic Animals, Pets & Accessory Products	March 16-21
ASTIR - 4th International Exhibition of Machines, Installations & Equipment for Laundering, Dry Cleaning, Ironing and Dyeing	March 18-21
IF 77 - 7th International Exhibition of Cine-Photo-Optics & Audio-Visual Equipment	March 19-27
COMIS/PEL - International Fur Dealers' Salon	March 23-27
MIFED - International Film, TV/Film & Documentary Market	April 16-23
O 77 - International Exhibition of Optical, Optometric and Ophthalmic Goods	May 7-10
ITA 77 - International Exhibition of Heat & Sound Insulating Materials & Components	May 11-15
IMAG - International Exhibition of Boot & Shoemaking Machines & Machinery for Tanning and the Manufacture of Synthetic Goods and Accessory	May 12-15
IT 77 - International Trade Show of Carpets & Furnishing Fabrics	May 21-25
MIPEL - Italian Leather Goods Market (International Salon)	June 9-13
EUROTRICOT - European Hosiery & Knitwear Salon	June 14-17

a visit to Milan Trade Fair and another to the trade show that takes place in your line of business. Book ahead for the Advance Guide of the Milan Trade Fair, issued on February 1st. It lists the exhibitors in English, French, German and Spanish indexes reference, easy for international businessmen.

For detailed information, also for Business Visitors' Cards and notices Catalogue, apply to Segreteria Generale Fiera di Milano, c/o Domus Coesia 1, 20146 Milano (Italy), or to the Milan Fair Organisation, Dr. V. Schiavazzo, 20 Savile Row, London W1X 2DQ Tel: 7342411. Milan Fair Organisation declines responsibility for any changes in dates announced as above by the respective Committees of Exhibitors and Trade Shows.

O. C. SUMMERS, London, N12, has won a British Gas Corporation contract for distribution and general works in the North Thames region. Worth about £2m, it will run for two years.

EMI ELECTRONICS, Wellesbourne, Warwickshire, has been awarded a £1.8m contract by British Rail to develop and manufacture production prototype equipment for an advanced automatic ticket inspection and barrier control system. Following completion of a six-month pilot scheme, BR intend to install the system at over 600 stations throughout the London commuter area and on Inter-City routes. The value of this programme is about £20m.

HERBERT MORRIS, Loughborough, Leicestershire, is to supply all overhead cranes, worth more than £1.5m, for the Central Electricity Generating Board's Dinorwic power station in Wales. Largest of the seven on order are two 250-tonne radio-controlled cranes which, when coupled in tandem, will have a lifting capacity of 460 tonnes.

KENTING (U.K.) has been awarded a contract by British Petroleum to drill two boreholes in the Gainsborough, Lincs, area.

SMITHS INDUSTRIES has received a £200,000 order for further quantities of engine instruments and ice detector equipment for Concorde. Engine instruments include primary displays of engine speed, exhaust gas temperature, nozzle area and fuel flow, and secondary displays of constant-speed-drive temperature, fuel and oil temperature and pressures. The ice detector system comprises separate detector probes and warning relay units.

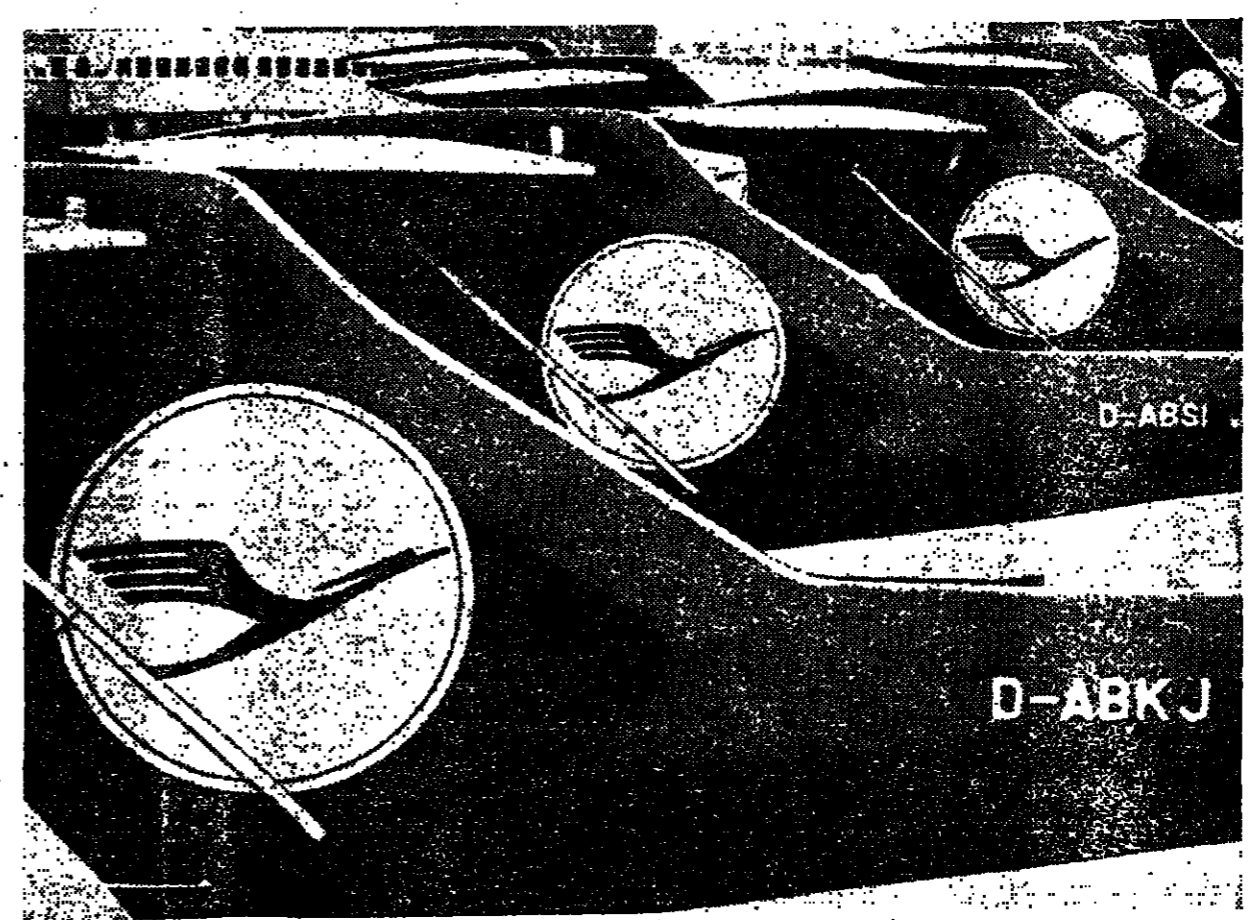
WOOLMAN, Leeds, has received an order worth £120,000 for the complete electrical installation of a new amusement centre for Coral Tangcourt at Central Drive, Blackpool.

LANDIS AND GYR, North Acton, W.3, has won two contracts in Scotland for the supply and installation of heating and air conditioning control equipment. Total value more than £100,000, they were placed by Humphreys and Glasgow for Dyce airport, Aberdeen, and the new Scottish prison in Lanarkshire. Two other recent contracts together worth more than £100,000, include the supply and installation of pneumatic controls at the Hantley Museum, Stoke-on-Trent, and the supply and installation of pneumatic controls and control panels at the new Harrogate conference centre.

## £1.5m. bypass

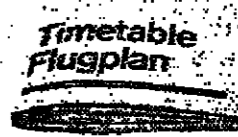
NORTHAMPTONSHIRE County Council is to invite tenders for construction of a £1.5m. bypass for the village of Little Houghton. After a decision by the Environment Department that the project can go ahead,

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# Police draw blank after two hour talk with Callaghan

CHRISTIAN TYLER, LABOUR CORRESPONDENT

POLICE appeared yesterday stems, ironically, from the Government's attempt to do the job on their claim for a fringe benefit pay rise could exceed the £250-£40 of the present wage

Callaghan praised the "easily the best in the world" but said in a statement Downing Street that the national Council had rejected the increase, backdated to last year, their pay

# ockets halt nitrogen Windscale gates

LIVERY of nitrogen gram from Mr. Anthony Wedgwood for safety purposes was halted at the Windscale plant of British Nuclear Fuels last night

# reat to Jersey hotels

N recruitment movement The constitution of the Jersey Hotel and Guest House Association gives it no mandate to negotiate with members of the "Hoteliers' Association" for employment while the island strikes this summer

# SPENG CONSOLIDATED LIMITED

Extracts from the Statement of the chairman Mr J. D. Living, O.B.E., F.I.M.M., circulated with the Report and Accounts for the year ended 30th September, 1976

Consolidated Accounts for the year ended 30th September 1976 show a gross mining profit before depreciation of £2,679,000 compared with £1,930,608 in the previous year. Production was lower by 1694 metric tons of tin concentrates despite a small increase in the volume of ground ore reflecting the lower concentration of ore in the ground for treatment

# Women face even bigger job bar, CBI suggests

BY ADRIAN HAMILTON AND ALAN PIKE

WOMEN could be facing an even bigger job bar when applying for jobs as a result of the equal pay legislation, the Confederation of British Industry said yesterday

Answering questions at the Royal Commission on the Distribution of Income and Wealth (the "Diamond Commission"), CBI representatives emphasised, however, that they had no firm evidence that this was the case

This was because women were held to be less prepared to work overtime to do certain types of shift work and might also take time off to have babies

# Statutory

The CBI also suggested that action to impose higher wage rates for the low-paid could have an adverse effect on female employment

# Bristol dock strike goes on

THE INTERVENTION of a secretary of the TGWU, urged senior union officials yesterday to resolve a dockers' dispute which has halted Bristol's new £37m. West Dock and led to 34 shop stewards to resign

# Plessey workers meet to-day

A MEETING of the 2,088 employees faced with redundancy from Plessey's telephone equipment factory at Sunderland will be held to-day

The meeting comes after a series of discussions between Plessey management, trade unionists and councillors to save the factory

While it was possible, they said, to raise wages in particular industries or companies, any action to increase minimum wages across the board would only produce a "knock-on effect" which would raise all wages as other employees sought to maintain their differentials

Minimum wages already negotiated at national level were nearly always used as the basis for establishing wage structures and benefits so that the whole structure would then be changed

# Fleet Street plan is rejected by another union

BY ALAN PIKE, LABOUR STAFF

MEMBERS OF another print union yesterday rejected the Programme for Action proposals for introduction of new technology in Fleet Street, but voting was close

The National Society of Operative Printers, Graphical and Media Personnel voted 4,588 to 4,298 against the proposals

These redundancies will, however, be offset by the creation of 800 new jobs for the manufacture of electronic equipment in the North West, mainly at Liverpool and Huxton

Additionally, many NATSOPA employees probably felt less directly threatened by the plans than those in the NGA, whose traditional jobs in composing rooms would disappear with the advent of new technology



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unchanged real level of business if prudent balance sheet ratios are to be maintained. This need is similar to that of an industrial company for more capital simply to finance an unchanged physical level of stocks when prices rise



Lloyds Bank

Extracts from the Chairman's statement in the Report and Accounts of Lloyds Bank Limited for the year ended 31 December 1976. Copies are obtainable on request from the Secretary, 71 Lombard Street, London EC3P 3BS.





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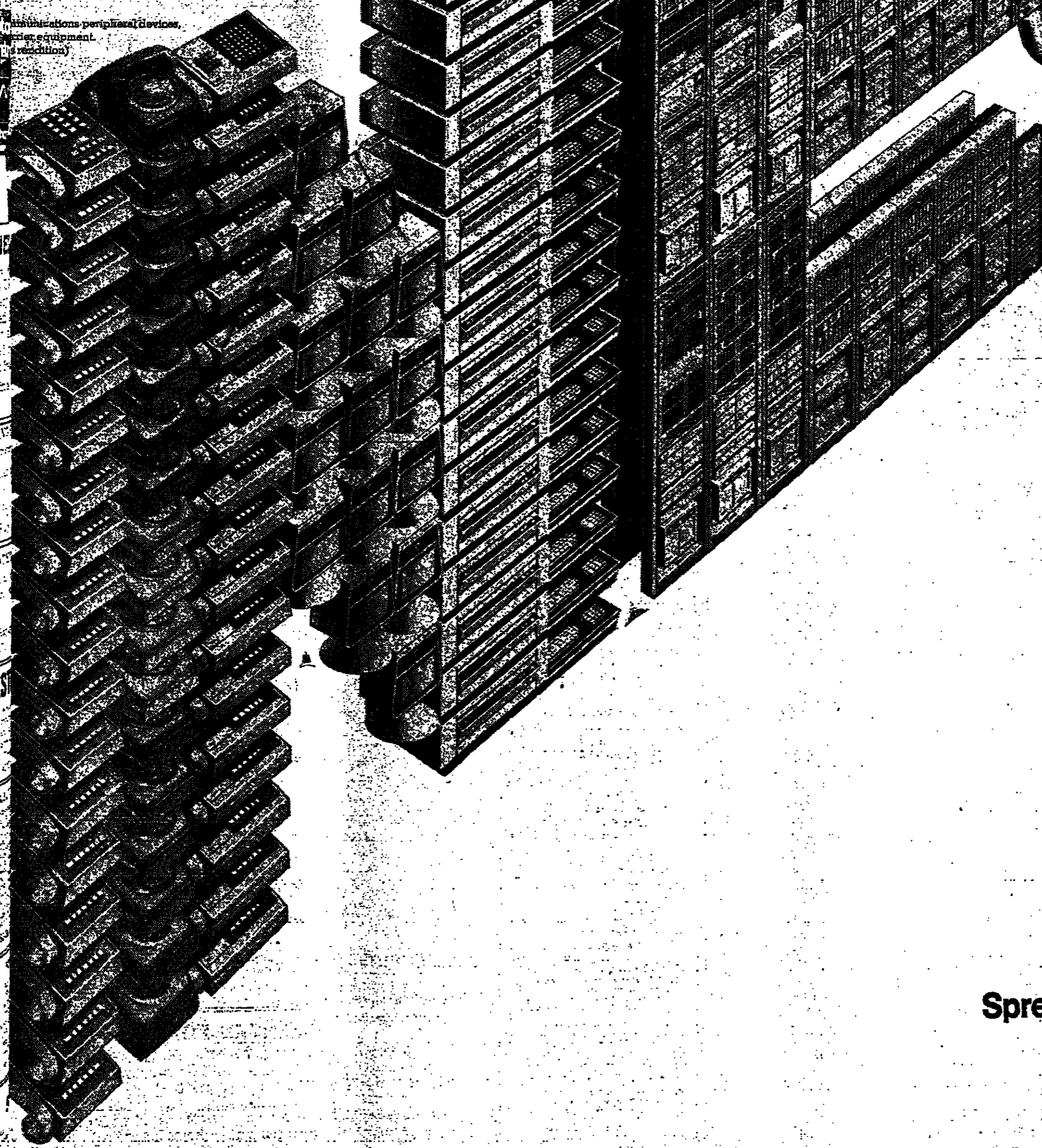
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# Minister pledges big effort to save Plessey jobs

By JOHN HUNT, PARLIAMENTARY CORRESPONDENT

## Hopes for electrical engineering exports

By Ivor Owen

WITHOUT a minimum order programme from the Central Electricity Generating Board, to include the Drax B coal-fired power station, Britain would probably finish up without a heavy electrical engineering industry, Mr. Eric Varley, Industry Secretary, stated in the Commons yesterday.

THE GOVERNMENT intends to do everything in its power to persuade Plessey Telecommunications to develop a new line of equipment so that it can qualify for temporary employment subsidy of £2m, and thus prevent the thousands of redundancies which the company has announced at its Sunderland and Liverpool factories.

Mr. Golding said that he could not be categorical on this, but he was prepared to meet Labour backbenchers or anyone else in order to discuss such a possibility. The Minister also criticised the way in which the company had handled the redundancies.

Frankly, he did not think there was any chance of these factories continuing to produce out-of-date equipment which was not required. But the Government would try to see if the situation could be altered so that Plessey could find another product to produce in these factories," he added.

Mr. Golding was replying to a debate on Plessey which had been initiated by Labour backbenchers as one of the Consultative Fund debates in which MPs are allowed to raise various subjects in the House.

The need to provide more scope for profitability was taken up from the Opposition front benches by Mr. Alan Williams, Minister of State for Industry, who told MPs that, measured at replacement cost, the current average rate of return on capital in British industry was about one-third of what it was in 1961.

Mr. Norman Lamont, a Conservative spokesman on industry, condemned the demand by Mr. Jack Jones, general secretary of the Transport and General Workers Union for a legally enforced freeze on virtually all prices as a "job destroying" policy.

Transience on the part of the Plessey management. But he said, the temporary employment subsidy would mean £2m over one year and there would have to be research and development involved.

Mr. Golding said that he could not answer this question categorically at this stage. He would need to discuss it with officials at the Department of Industry. But certainly, the Government would be willing to meet Mr. Urwin and his colleagues from the North-east and Liverpool in order to explore the possibilities.

# Peers support Liberal direct elections Bill

By Michael Cassell, Building Correspondent

## Tory 'leak' claims denied by Freeson

By Michael Cassell, Building Correspondent

OPPOSITION claims that publication of the housing strategy report prepared by the Building Economic Development Committee had been suppressed as a result of Tory leaking pressure and censorship were yesterday described by Mr. Reg Freeson, Minister for Housing, as "quite mendacious".

The report was leaked last week by the Conservatives, who claimed that publication had been put off because many of its conclusions were politically unacceptable to a minority of the 26-member committee. The Tories said that many of the report's findings represented "a powerful vindication" of their housing policies but were also an indictment of the Government's own strategy.

THE LORDS gave an unopposed second reading yesterday to a Liberal peer's Bill on direct elections to the European Commons, irrefragably wanted direct election.

Lord Harris of Peckham, sponsoring the Representation of the People (Amendment) Bill, agreed that in normal circumstances they would wait for Government or something like legislation.

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# Tories hit at 'job destroying' policy

By Ivor Owen

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Mr. Golding said that he could not be categorical on this, but he was prepared to meet Labour backbenchers or anyone else in order to discuss such a possibility.

## Ships Bill protest by two Tories

By Ivor Owen

TWO TORY backbenchers rebelled yesterday against the "cosy arrangement" made between Government and Opposition over the Aircraft and Shipbuilding Bill.

# My warning to Leyland workers approved by NEB, says Varley

By Ivor Owen, Parliamentary Staff

ALL MEMBERS of the National Enterprise Board, including Mr. Harry Urwin, deputy general secretary of the Transport and General Workers' Union, gave advance approval to the hard line taken by Mr. Eric Varley, Industry Secretary last week, in setting out the consequences for British Leyland if the unofficial strike by toolroom workers is prolonged.

Mr. Varley replied that the letter from the NEB must remain confidential because it contained information which would not be in the interests of British Leyland to disclose.

More recently, he had persuaded his colleagues in the Government that the Mini replacement programme should go ahead.

Mr. Varley said he was studying the situation continuously. I have not heard Mr. Fraser's statement this morning. I only hope that Mr. Fraser and his colleagues will quickly return to work in accordance with the advice given to them over the week-end by Mr. Hugh Scanlon on behalf of the Confederation of Shipbuilding and Engineering Unions.

# Irish terrorised by police in Birmingham, says

By Ivor Owen

A CLAIM that the Irish community in Birmingham is being terrorised by members of the West Midlands police force was made by Mr. Tom Litterick (Lab., Irish community, Seilly Oak) in the Commons yesterday.

# Covent Garden Bill approved

By Ivor Owen

A BILL to put Britain's major horticultural market on a sound financial footing was given a second reading in the Lords for continuity which had exceeded expectations.

# MPs' attack nonsense, say dentists

By Ivor Owen

BRITAIN'S dentists hit back yesterday at accusations from a group of Labour MPs and dental workers, they had claimed that the service dentists provided was ineffective, in that those who went to the dentist most, lost most teeth.

# Silkin seeks advice on tax

By Ivor Owen

MR. SAM SILKIN, Attorney General, urged Mr. Prescott to advise him on whether any offences were committed when a crew of Britons took over the tanker, Globtik Venus.

# World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on 1 March 1977. Market rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
Afghanistan (Dh) Afghani	200	Germany (M) Deutsche Mark	4.11	Paraguay (G) Guaraní	214.85
Algeria (D) Algerian Din	10.19	Ghana (C) Cedi	1.37	Pakistan (R) Rupee	13.40
Algeria (D) Algerian Din	10.19	Gibraltar (G) Gibraltar P	1.00	Pakistan (R) Rupee	13.40
Algeria (D) Algerian Din	10.19	Guatemala (Q) Quetzal	1.88	Peru (N) Nuevo Sol	128.31
Algeria (D) Algerian Din	10.19	Guatemala (Q) Quetzal	1.88	Philippines (P) Peso	27.70
Algeria (D) Algerian Din	10.19	Greenland (DK) Danish Kroner	16.48	Pitcairn (L) Pitcairn Dollar	1.70
Algeria (D) Algerian Din	10.19	Greenland (DK) Danish Kroner	16.48	Poland (Z) Zloty	17.50
Algeria (D) Algerian Din	10.19	Greenland (DK) Danish Kroner	16.48	Portugal (E) Escudo	200.48
Algeria (D) Algerian Din	10.19	Greenland (DK) Danish Kroner	16.48	Portugal (E) Escudo	200.48
Algeria (D) Algerian Din	10.19	Greenland (DK) Danish Kroner	16.48	Portugal (E) Escudo	200.48
Algeria (D) Algerian Din	10.19	Greenland (DK) Danish Kroner	16.48	Portugal (E) Escudo	200.48

# Written Answers

## TREASURY

Mr. John Hanning (Con. Exeter). What would be the cost per year in VAT to the revenue of: (a) exempting living artists and sculptors, (b) zero-rating living artists and sculptors, and (c) raising the exemption limit to £10,000?

Mr. Robert Sheldon, Financial Secretary. Living artists and sculptors are classified for VAT statistical purposes with designers, authors, freelance journalists and composers. It is estimated that if this group were exempted from VAT the loss of revenue would be about £5m a year.

## ENERGY

Mr. Geoffrey Dodsworth (Con., Hertfordshire S.W.). What are the average figures for coal consumption per household and per National Coal Board employee household?

Mr. Alex Eadie, Under-Secretary. The total number of solid fuel consuming households in the U.K. in 1975 was estimated to be 3.3m, and the total solid fuel disposals to the domestic sector in the same year was 15.8m tons, giving an annual average of about 4.7 tons per solid fuel consuming household.

## EMPLOYMENT

Mr. Robert Sheldon. Where the employee has a contractual right to the payment, such payments, other than redundancy payments, are taxable.

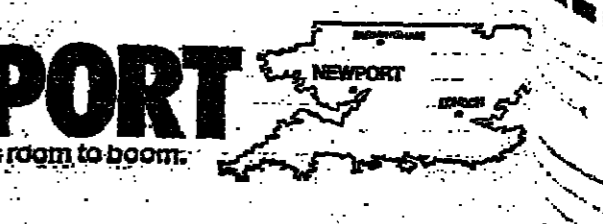
Mr. Neil Trotter (Con., Tynesouth). What amount of corporation tax is payable by a company on profits of £30,000? How much additional tax would be payable on a net profit of £10,000? What is the effective marginal rate of tax on the additional £10,000? How does this compare with that chargeable on profits of between £20,000 and £40,000 by the S.E.C. and other countries in the E.E.C.?

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♦ That part of the French currency in Africa formerly part of French West Africa or French Equatorial Africa... (1) General rate of exchange for exports to the U.K. at an official commercial rate of 0.255 British pounds to the C.F.A. franc.

Rate is the transfer market controlled. Rate is now based on 2 Barbados \$ to the dollar. Now one official rate.

Advertisement for Newport with a map and contact information. 'NEWPORT where business has room to boom'.

# The Management Page

EDITED BY JOHN ELLIOTT

While public attention has been concentrated on political rows over the nationalisation of shipbuilding and ship repairing, the aircraft industry has been organising its own State-owned future. Michael Donne reports

## Merger of rivals into new groups

THAT the controversial pairing clauses have been included from the Bill nationalising aircraft and shipbuilding industries, it is intended the legislation will be through its remaining stages quickly. It then become law perhaps later or the late spring.

Discussions have been held with overseas manufacturers on the Continent and in the U.S. on possible areas of international collaboration, to the point where the Organising Committee may soon be able to give some indication of preferences for the kind of projects it would like to see the industry collaborating on in the future. It is significant that, although his authority over the industry at present is more potential than actual, the leaders of overseas companies make a point of consulting Lord Beswick on their frequent visits to London.

prepared to be dogmatic about it, it seems that the only way of stopping the Bill now would be a snap General Election resulting a Conservative victory. That would kill the Bill, but still leave the industry's problems—especially the shortage of civil work—untouched and by then in even more urgent need of a solution.

does not appear to have changed. Even without nationalisation, in the harsher commercial conditions of the 1980s, and with the increased costs and greater technological complexity of civil and military aircraft, no single U.K. company would be able to compete alone in world markets, and a combination of the industry's resources would be a fundamental condition of even getting into those markets, let alone succeeding in them.

Beswick remains confident of the aerospace industry's future. He insists that it is his intention to ensure a "complete capability in research, design and manufacturing." He is a firm protagonist of aerospace. He argues that between 1963 and 1973, while the total U.K. share of world trade in manufactured goods fell from 15 per cent to 9 per cent, the share won by aerospace rose from 13.5 per cent to 15 per cent. Aerospace is "very near the top of the league" in the percentage of exports to total output.



Lord Beswick, chairman designate of British Aerospace

Thus, much of the work already done by Lord Beswick and his team could still come to fruition, even without nationalisation. This, of course, is not his prime motivation. He remains optimistic that the Bill will become law, and that the British Aerospace Corporation (BAeC, as it is becoming known) will eventually emerge. The broad framework that Lord Beswick sees for the future is that of a co-ordinating Central Board for British Aerospace. Beneath this there will be two groups, one comprising all the civil and military aircraft activities of the four companies involved in nationalisation: British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation) and the other comprising all their guided missile and space activities.

So far, while no names for the heads of these groups have been formally announced, it is widely believed that Mr. F. W. Page will head the aircraft group, and that Mr. G. R. Jefferson, chairman of the BAC Guided Weapons Division, will head the missiles and space side. Below these two groups a series of individual "profit centres" will be set up, working either on specific projects or in specific areas of aviation. The precise formula has not yet been worked out, but Lord Beswick says he would expect "existing product experience and specialisation, market affiliation, and to some extent geography, to be among the factors to be taken into account when determining these divisions below group level." The type of thing to be settled, for example, is whether Filton near Bristol, or Hatfield in Hertfordshire, becomes the main civil aircraft manufacturing centre.

Throughout the uncertainties past few months, the aerospace Organising Committee has been trying to steer a course. The measure of Beswick's success so far is the aerospace sector has not been characterised by the industry in the run-up to nationalisation—although it does not mean that aerospace without its problems, by the growing shortage on the civil side.

To a large extent Lord Beswick has been given the backing of the aerospace industry for three main reasons (apart from the fact that many of the senior executives of the existing companies already sit on the Organising Committee). The first is that, with the shipbuilding obstacle out of the way, the Bill could with luck become law much more quickly than most people dared hope earlier in the year, especially if the timetable outlined in the Commons last week by Mr. Varley, Secretary for Industry, is maintained. This provides for completion of the passage through the Lords by March 10, and a rapid passage thereafter.

The second reason is the growing concern in the industry over the long-term future, and the increasing recognition that while, politically, nationalisation is unpalatable to many people, it is likely to be the only way the Government will be induced to subscribe the large sums likely to be needed soon to keep the civil side of the industry alive. The civil side—mainly building Concorde, Trident and One Eleven—is running down fast. At the same time, overseas manufacturers are drawing closer to decisions on the next generation of airliners for the 1980s. The U.K. industry will have to make commitments of its own either later this year or early next, if it wants some share of the international collaboration that will be available on these new projects. The rest of the world will not wait while Britain goes on wrangling internally about its aerospace future.

Probably the greatest achievement by Lord Beswick over the past year, however, is that he has been able to gather the rival companies in the industry together round a table, to discuss everything from future civil ventures to industrial democracy. "I have urged everyone to avoid hard-line attitudes," he says.

As a result, while they may quietly go on with their own separate studies, BAC and HSA are at least discussing together a common approach to the civil requirements of the future, and joint teams have visited the major aerospace manufacturers in the U.S. and Europe. This kind of joint dialogue at senior, middle and even lower management levels, will be useful when nationalisation comes, and may be helpful even if it does not. Apart from all this, Lord

## EMPLOYEE PARTICIPATION

# Goodwill with two workers elected to the Board

BY SUE CAMERON

THREE YEARS ago the British-based Computer Machinery Company decided to have two worker directors on its Board of management and to-day the company claims that the scheme is meeting with a reasonable degree of success.

CMC operates a two-tier Board structure with a policy-making Board of directors and a lower tier Board of management which has an executive function and meets monthly. The company's worker directors, who have the right to speak and vote, sit only on the Board of management—a reversal of the German two-tier structure where the worker directors sit on the top-tier supervisory Board.

worker director scheme is that 60 per cent of them voted in the last election even though one-third of the workforce is based away from the company's headquarters in Hemel Hempstead. Yet CMC does not publicly announce the voting figures after worker director elections have been held. The company says—with disarming frankness—that this is because it does not want to reveal the fact that there are sometimes rather low polls. The company points out, however, that it will always give the figures to individuals who ask.

The main reason for the introduction of worker directors at CMC was that the company was anxious to improve communications with its 450 employees. All the employees are eligible to vote in the elections to select the two worker directors but trades unions play no part in the CMC scheme, largely because only about 30 members of the company's workforce are in a union—the Electrical and Plumbing Trades Union. Senior managers are barred from standing in the elections although they have the right to vote.

While the CMC scheme appears to have succeeded in improving relations between the company and its workforce, some employees claim it is being wrongly used. Worker directors say that sometimes their colleagues have brought them minor problems which should properly be dealt with by line or personnel managers. One former worker director, for instance, said she had been asked about such things as canteen prices and mileage for company business trips—matters which did not really warrant attention from the Board.

Another factor which may have contributed to the success of the scheme is that CMC has flourished during the last few years. As a result there has been a general spirit of goodwill among managers and employees. The business success of CMC has also meant that its worker directors have not had to tackle such problems as redundancies. Yet it has been suggested that the real test of any worker director system is its ability to survive the difficult periods when business is going badly. Whether the CMC scheme would be strong enough to stand up to a period of company retrenchment—or whether it could operate as it does now if the company were ununionised has of course not been tested.

## Sales plans

Board of management meetings chaired by a regular CMC director and they are attended by nine heads of department—as well as the two worker directors who hold their appointments for a year but can be re-elected. The heads of department report on such things as sales plans, cash flow, order intake, production planning and product development and the minutes of the meetings are posted on company notice boards.

There are no formal arrangements however for the worker directors to report back to their colleagues. The system seems to work on an ad hoc basis with individual employees approaching the worker directors for further information.

The worker directors are not given any training for their posts and Mr. Barrie Laver, one of the company's executive directors, says that the intricacies of financial discussions at Board meetings can be lost on them.

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As a result, while they may quietly go on with their own separate studies, BAC and HSA are at least discussing together a common approach to the civil requirements of the future, and joint teams have visited the major aerospace manufacturers in the U.S. and Europe. This kind of joint dialogue at senior, middle and even lower management levels, will be useful when nationalisation comes, and may be helpful even if it does not. Apart from all this, Lord

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## Business courses

The Next Ten Years—Images of the Future, Portman Hotel, March 21. Fee: £60 plus VAT. Details from Associated Business Programmes, 17 Buckingham Gate, London SW1F 6LN.

Management by Commitment, London Tara Hotel, March 23. Fee: £40 plus VAT. Details from Institute of Marketing, Moor Hall, Cookham, Maidenhead, Berks.

Essential Business Law for Directors, Piccadilly Hotel, March 24. Fee: £50 plus VAT. Details from ASM, 5 The Parade, St. John Hill, London SW11 1TG.

Participative Management and the Senior Executive, Europa Hotel, March 22-25. Fee: £215 plus VAT. Details from The Industrial Society, Peter Runge House, 3 Carlton House Terrace, London SW1Y 5DG.

Beyond Bullock—Management of Participation, Waldorf Hotel, March 29-30. Details from Arthur Wareham Associates, 20 Bride Lane, London EC4Y 8DX.

Management Fraud, The Institute of Chartered Accountants, March 31. Fee: £21 plus VAT. Details from London Professional Conference Services, The Berkeley Suite, 79 Great Titchfield Street, London W1P 7FN.

Identifying Training Needs for Managers and Professionals, Brunel University, March 29-30. Fee: £105. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex. UB8 3PH.



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THE FINANCIAL TIMES

Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

UNCTAD negotiations on a Common Fund for commodities began yesterday. Reginald Dale rept

The new and old worlds get down to brass tacks

Europe might have to wait

SPOKESMEN FOR the British Government have repeatedly proclaimed its commitment to the principle of direct elections to the European parliament...

Distortions But much of the hostility also springs from the fact that almost any method of election to the European Parliament would directly or indirectly be had for the Labour Party...

Time-consuming If the causes of the delay were purely procedural, its consequences need not be dramatic—depending, of course, on the electoral system that was adopted by the House of Commons...

Economic reality on the instalment plan

THE LATEST wholesale price indices are sadly discouraging on a backward view, for they confirm that increases have been accelerating again in recent months...

Further restraint The challenge which now faces both the Government and the leadership on both sides of industry is to show convincingly that this time round there really is a prospect of getting inflation down to quite modest figures through further restraint...

First reward The slowdown in import costs is in fact the first reward for domestic stabilisation, for under a floating exchange rate managed so as to preserve competitiveness, import costs are as much a reflection as a cause of domestic inflation...

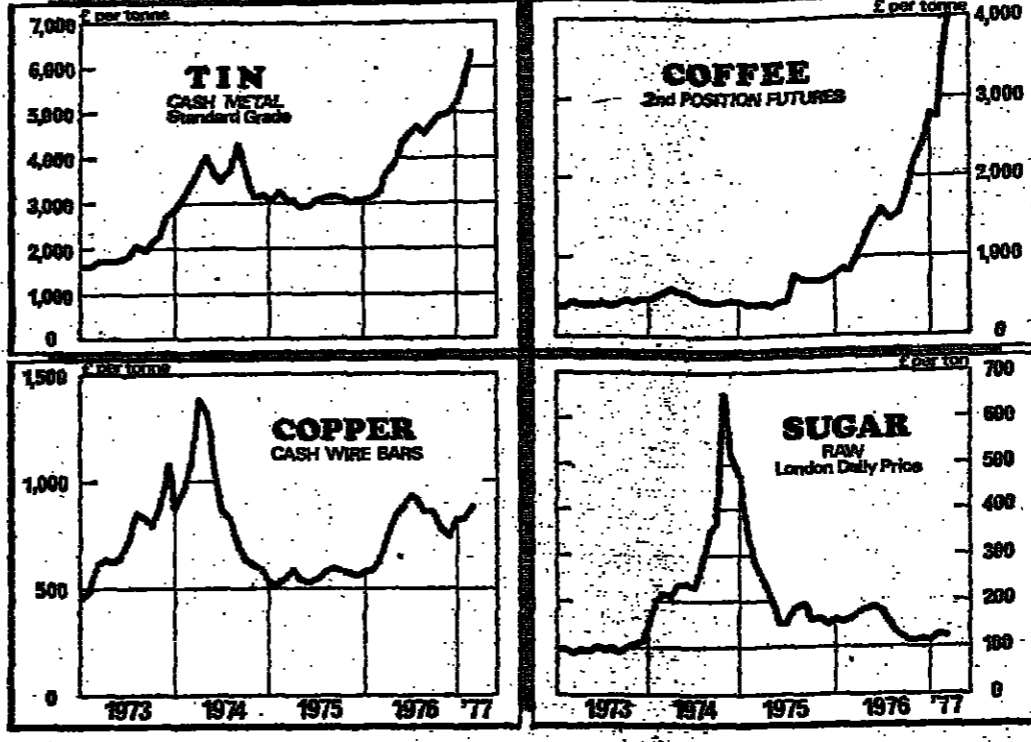
JUST UNDER three years since the UN agreed to work towards a New International Economic Order, the world's rich and poor nations are finally getting down to brass tacks negotiations on one of the basic demands of the developing countries—the establishment of new rules for international trade in commodities...

Specifically, this month's negotiations concern the creation of the proposed new \$5bn. Common Fund—intended to stabilise commodity prices by financing buffer stocks—which the developing nations have singled out as the key political symbol of the industrialised world's willingness to reform the international economic system in their favour...

So far, commodities negotiations in Geneva have followed the carefully balanced timetable laid down by the Fourth UNCTAD conference (UNCTAD IV) in Nairobi last May...

morale support for the developing countries, and encourage them in their strategy of exploiting the West's divisions, their financial resources are limited. If the Fund is to reach the proportions the developing countries are demanding, the support of the U.S., Germany and Japan is clearly indispensable...

HOW PRICES HAVE FLUCTUATED



U.K. would almost certainly feel obliged to follow suit, leaving Germany embarrassedly isolated both inside the EEC, which meets to try to patch up a position for the talks in Brussels to-day, and in the Western camp as a whole...

COMMODITIES PROPOSED FOR AN INTEGRATED PROGRAMME

- Cocoa, Coffee, Tea, Sugar, Copper, Tin, Rubber, Cotton, Jute, Hard Fibres, Soyabean, Vegetable Oil, Meat, Tropical Timber, Iron Ore, Bauxite, Manganese, Phosphates

The problem is that most of the major Western Governments remain deeply suspicious of the Common Fund. There is, of course, particularly in Bonn and Washington, an instinctive distaste for anything that interferes with free market forces (ironically the Russians have criticised the fund as an endorsement of capitalist market principles and charged that it will work in favour of transnational companies).

no more than \$500m. set aside out of the \$5bn. The Secretariat's view that the Fund should be \$3bn., of which \$1.6bn. should be contributed by G7...

All these points are rejected by the developing countries, which argue that the whole point of the Common Fund is that it should be set up first to act as a catalyst for the negotiation of individual agreements...

Mr. Gamani Corea, the UNCTAD Secretary General, also denies that vast surpluses would be accumulated. This time the drive would only happen if the Fund's resources were unlimited and no other measures were taken, he says.

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MEN AND MATTERS

The view from the very top

Roger Sainsbury, site director responsible for work on the tallest tower structure in Britain—the spindly National Westminster tower block in the City due to be "topped out" next Monday but still a couple of years away from being occupied—recalls vividly the reaction of skyscraper veterans in America who were asked for comments on the London project...

Many problems there certainly were, both in design, and in dealing with the awkward layout of the site between Old Broad Street and Bishopsgate. The 48-storey tower, a gleam in the old National Provincial Bank's eye as far back as 1939, is 18 months behind schedule...

Gramsci crosses the Channel Some 40 years after his death the ideas and theories of Antonio Gramsci have finally crossed the English Channel. Gramsci was the Italian Marxist intellectual whose writings have led to the Italian Communist Party's own highly successful revision and interpretation of the second Marxist-Leninist texts.

Prolonged

A traveller's true tale of a recent flight back from Belfast. After a seemingly interminable period of taxing he turned to the pretty air hostess sitting next to him and asked if it was normal. "This plane takes so long," she said, "that many passengers wonder if we are going by road."

Observer

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# Lloyds increases medium Wagon Finance lending to industry optimistic

AGAINST A background of difficult economic conditions in the 1976 has been a year of modest expansion for Lloyds Bank. Nevertheless, Sir Eric Kneller, chairman, reports a heretofore satisfactory increase in number of customer accounts, good growth in current account balances.

LBI chairman, Sir Reginald Verdon-Smith explains that much of the profit increase is attributable to the effects on earnings of movements in exchange rates, but increased activity by certain branches and subsidiaries, especially in Latin America and the U.S., also played a significant part.

In order to maintain the capital backing of the bank it arranged last May for a special floating rate issue of £375m, to be made up by a Dutch subsidiary formed for that purpose. The sterling equivalent of £65.2m appears in the balance-sheet as loan capital.

Reserves have increased by £20.9m, and of this amount £11.3m came from retained profits while the balance of £9.6m is due to a surplus arising on realisation of fixed assets. Current liabilities have increased from £3,240m to £3,110m, the ratio of current liabilities to capital and reserves improved from 24.3:1 to 19.6:1. On the free capital the ratio improved from 49.5:1 to 34.8:1.

For the future Sir Reginald says that given the opportunity LBI, with its wide international coverage, is well placed to take advantage of the openings which will be created by a revival of trade and investment.

opportunities and is also confident.

The Lloyds Bank group balance sheets as at December 31, 1976, compare in the following table.

Capital commitments contracted for at the year end stood at £33,825m (against £32,724m in 1975) and in addition £20,750m (£14,270m) had been authorised but was uncontracted.

Sir Eric retires from the Board at the end of the AGM—his successor as chairman is Sir Jeremy Morse.

The meeting is at 71 Lombard Street, E.C. March 31 at 3 pm.

Chairman's statement, Page 15  
See Lex

IN HIS annual statement Mr. S. M. Bartolome, the chairman of Wagon Finance Corporation, says that profit for 1977 will, as usual, be affected by the movement in interest rates, "and in this regard at least the outlook now appears just a little brighter."

Members are told that the group will strive to increase the amount of new business financed in 1977 without lowering its standards for acceptance.

However, Mr. Bartolome warns that the greater part of any such increase will merely reflect inflation until the economy resumes real growth and for that we shall clearly have to wait beyond the current year.

As reported on January 29, profit before tax came to £1,637,823 for 1976, an increase of £200,000 over 1975 and the second highest profit ever achieved.

Earnings were 8.16p per share, compared with 7.23p and the dividend is 3.75p (3p) per share net.

Treasury permission has been obtained for this recommendation, and the directors will consider the payment of an interim dividend in 1977.

New business financed, all of which is now underwritten by Bank of Europe, increased by 12 per cent. in 1976. The portfolio which because of adverse conditions outside the group's control had declined without a break from December, 1975, to March, 1976, recovered by the end of 1976 to almost the March, 1975, level. Correspondingly, unearned finance charges of £5,335,794 at the end of 1976 had increased by £777,484 over the year.

Last October arrangements were concluded with the group's bankers for facilities aggregating £30m, of which a substantial part is on a medium-term basis. "We therefore in a strong position to take advantage of an eventual resurgence in the demand for consumer credit," declares the chairman.

A statement of source and application of funds shows an increase in liquid funds of £8.52m (£4.58m).

As at December 31 Friends Provident Life Office held 10.76

### BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's accounts.

#### TODAY

Chairman: Hinton Print, Ponting, Wolverhampton Die Casting  
 Director: ERIC De Beers Consolidated Mines, De Beers Industrial Corporation, Fisons, Greenfield Alloys, Inveresk, Turner and Newall, United Nicotines.

#### FUTURE DATES

Bracton Mines	Mar. 11
Consolidated Gold Fields	Apr. 8
Dawson Day	Mar. 9
Jag Holdings	Mar. 11
Rawley Mines	Mar. 11
Leeds Gold Mines	Mar. 11
Lakes Industries	Mar. 11
St. Helena Gold Mines	Mar. 11
Strong and Fisher	Mar. 11
Whitehawk Mines	Mar. 11
Bel (Arthur)	Mar. 17
Bond Street Fabrics	Mar. 19
Bowers Corporation	Mar. 21
Bryce and McEwen	Mar. 22
Cassell Roadstone	Mar. 23
Charon Downside	Mar. 23
General Accident	Mar. 23
Norvic Securities	Mar. 23
Scottish Northern Invest. Trust	Mar. 23
Turvey (W. E.)	Mar. 23
Union Corporation	Mar. 23
Yorkshire Chemicals	Mar. 23

# County Bank Limited

preliminary statement for the year ended 31 Dec. 1976

### Substantial advance in profits for 1976

	1972	1973	1974	1975	1976
	£m	£m	£m	£m	£m
Pre-tax profit	2.02	2.68	3.11	2.29	4.27
Advances	41.3	60.6	88.9	146.8	166.9
Gross assets	431.4	440.0	452.2	470.3	494.6

## Clydesdale Bank ahead to £10.8m.

PROFIT before tax of Clydesdale Bank improved by more than 50% to £10.81m. during 1976. Final dividend is 11.36p per cent. and the total 19.36p per cent. compared with 17.8p per cent. Shareholders funds total £50.34m., against £48.91m.

Trading profit	1976	1975
Income tax	20.0	20.0
Income tax	11.1	11.1
Profit before tax	10.709	9.744
Dividends	1.503	1.539
Net profit	4.747	4.163
Retained	3.294	3.682

National Westminster Bank Group

### Progress at Staffs. Potteries

WITH TURNOVER expanding by almost £1m. to £4.41m., profits of Staffordshire Potteries (Holdings) moved up from £215,000 to £217,000 in the half-year ended December 31, 1976.

At the meeting in November, Mr. C. W. Bowers, chairman, reported that sales in the first four months of the current year had increased by 31 per cent. with a resultant advance in profitability. Orders then on hand were at a record level.

The directors now state that while market conditions continue to show a gradual improvement and with satisfactory progress being maintained on the expansion programme, they feel that, notwithstanding any further adverse national economic difficulties, the outcome of the year's trading will be satisfactory.

The half-year's attributable balance emerges at £151,000 against £75,000 and earnings per 25p share are stated at 3.47p (2.63p) basic and 3.29p (2.3p) fully diluted.

The interim dividend is raised effectively from 0.23p to 1.15p net—the total for 1976-76 was equal to 3.166p paid from profits of £702,000.

Statement, Page 25

### Money Market

#### Exceptional help

Bank of England Minimum lending Rate 12 per cent. since February 3, 1977.

10-day credit was in short supply in the London money market yesterday and the authorities gave an exceptionally large amount of assistance to the market. They bought an extremely large number of Treasury bills, the discount houses, a small amount of local authority bills, and a small number of eligible bills.

Banks carried forward run-down balances from Friday, when a net market take-up of Treasury bills to finance revenue payments to the Exchequer outweighed Government disbursements, and repayment was made of special advances to the market.

Discount houses paid 11.12 per cent. for Treasury bills, 10.10 per cent. for Treasury bills, and 10.11 per cent. for Treasury bills. Rates in the table below are nominal in some cases.

Term	Rate	Term	Rate
10 1/2-12	11 1/2-11 3/4	10 1/2-12	11 1/2-11 3/4
11 1/2-12	11 1/2-11 3/4	11 1/2-12	11 1/2-11 3/4
12 1/2-13 1/2	12 1/2-12 3/4	12 1/2-13 1/2	12 1/2-12 3/4
13 1/2-14 1/2	13 1/2-13 3/4	13 1/2-14 1/2	13 1/2-13 3/4
14 1/2-15 1/2	14 1/2-14 3/4	14 1/2-15 1/2	14 1/2-14 3/4
15 1/2-16 1/2	15 1/2-15 3/4	15 1/2-16 1/2	15 1/2-15 3/4
16 1/2-17 1/2	16 1/2-16 3/4	16 1/2-17 1/2	16 1/2-16 3/4
17 1/2-18 1/2	17 1/2-17 3/4	17 1/2-18 1/2	17 1/2-17 3/4
18 1/2-19 1/2	18 1/2-18 3/4	18 1/2-19 1/2	18 1/2-18 3/4
19 1/2-20 1/2	19 1/2-19 3/4	19 1/2-20 1/2	19 1/2-19 3/4

1976 group pre-tax profits rose from £5.51m. to £7.2m. with basic earnings per share rising from 30.77p to 46.50p from 28.90p to 33.90p fully diluted.

Results of the subsidiary Bank International showed improvement—pre-tax profit

## 1976- recovery and renewed growth.

Group companies are engaged in the engineering industry, specialising in the manufacture of packaging, automotive and industrial products.

# Francis Industries Limited

Magson House, Luddendenfoot, Halifax

# Some companies are big in construction.

# Some are big in natural resources.

# Who's big in both?

# Tarmac

Look closely at the top ten companies in the construction industry. They all fall neatly into one category or the other. Except one.

Tarmac balances its huge construction business with the manufacture and supply of building materials and the utilisation of vast natural resources.

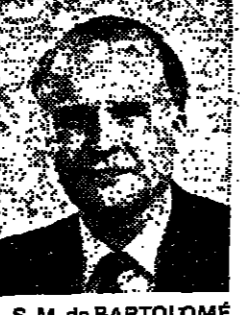
While we are engaged in as many as 700 building and civil engineering contracts on any one day, we are also drawing on almost limitless reserves of stone, from over 100 quarries. Providing the basis for other group activities such as the production of road surfacing materials and ready mixed concrete.

At the same time we supply more waterproofing materials to the construction industry than any company in Europe.

This carefully maintained balance gives us our unique strength in the construction industry.

Probably the most soundly based international construction company in Western Europe.

The Wagon Finance Corporation Limited



S. M. de BARTOLOMÉ Chairman

HIGHLIGHTS FROM THE 1976 ANNUAL ACCOUNTS

Table comparing 1976 and 1975 annual accounts for The Wagon Finance Corporation Limited, showing Turnover, Profit before taxation, Profit after taxation, Dividend, and Retained profit.

EXTRACTS FROM THE CHAIRMAN'S REVIEW

Second highest profits — dividend increased. I am pleased to report a consolidated profit before taxation of £1,637,923 for 1976. Despite the substantial adverse impact of increased money costs in the latter part of 1976 this is an increase of £200,000 over 1975 and is the second highest pre-tax profit ever achieved by the Group.

Drake and Scull returns to profit with £0.88m.

ELECTRICAL, mechanical and construction engineers Drake and Scull Holdings achieved pre-tax profits of £875,000 for the new group in the year to October 31, 1978. This compares with a loss of £4,371m in 1974-75 for the group as a whole which then included Holland, Hasman & Cubitts and other companies and activities since sold or terminated.

Delta move to cut borrowings

THE DIRECTORS of Delta Metal announced that the company is making an offer of new Ordinary shares in exchange for the cancellation of the whole of its outstanding £8.1m. of 7.5 per cent convertible unsecured loan stock £84,000. For every £100 nominal of loan stock 115 new Ordinary shares will be offered.

County Bank's uplift

All divisions at County Bank group, contributed pre-tax profit increases of £2.2m to £4.7m. Advances however, fell from £148.3m to £146 short of expectations by Wild, the chairman, rep term money for p industry is now reviving before metal profit, tax, minority and extraordinary items for 1976/7 were in excess of £23m (£11.63m). They also estimate that the profits on metal account after tax were about £3m (£1.5m).

REFUGEE LIFTS

Drake closed unchanged at the yesterday against net assets per share of around 8p. The accounts spell out some kind of dividend timetable with a payment to shareholders considered to be up to three years away. But at least the company is making a profit.

DEWHURST & PARTNER LIMITED

Table showing Dewhurst & Partner Limited's financial performance for 1976 and 1975, including Turnover, Exports, Profit before tax, Dividend to Ordinary Stockholders, Earnings, Capital employed, and Return on Capital Employed.

Leisure & General Holdings Limited

INTERIM STATEMENT. The unaudited results for the six months and October, 1976 and the comparisons with the first half year are given below.

Table showing Leisure & General Holdings Limited's interim financial results for 1976 and 1975, including Turnover, Profit before taxation, Profit after tax, and Interim Dividend.

SKF

Financial Statement

SKF Group sales for the year ending 31st December 1976 were 6,981 million Swedish kronor (Skr), an increase of 1.9 per cent over the corresponding figure for 1975 (6,851 million). Group income before provisions and taxes amounted to Skr 240 million (567 million) equivalent to 3.4 per cent of turnover.

Announcing the figures, Group Managing Director Lennart Johansson said that the general recession in the steel sector had heavily affected the year's profit, which had been further depressed by sharply rising costs. 1977 sales were expected to increase by about 10 per cent but any increase of earnings over 1976 was likely to be marginal.

SKF Financial Statement table showing sales, cost of goods sold, operating income before depreciation, and other financial metrics for 1976 and 1975.

\*Based on reacquisition values and anticipated economic life of plant and property. \*\*Operating income after deduction of cost calculated depreciation, reduced by financial income and expenses (net), less taxes 46%. The consolidated Group figures presented above for 1976 do not include the McQuay-Norris Manufacturing Company which was acquired by SKF Industries Inc, Philadelphia, towards the end of the year.

Cable Trust Limite

- 24% increase in earnings keeps ahead of inflation
• 10 year record of dividend growth beats retail price index

In his Annual Statement, Mr. Alastair F. Roger, the Governor, commenting on the past year's performance said that basic earnings per stock unit showed an overall increase of 24 per cent over the previous year.

Summary of Results table for Cable Trust Limited showing Revenue available for Ordinary Stockholders, Basic earnings per stock unit, Dividend per stock unit, Investments at Valuation, Net assets, and Net asset value per stock unit for 1976 and 1975.

The Record and Inflation. Shown below is the dividend and capital record of Company compared with the Retail Price Index over the last 10 years.



# Parker Knoll forecasts more than £1.8m.

Over the past year despite any... Parker Knoll does not appear to have run out of steam and the second half should easily match the interim profits of a maximum of £1.8m.

## Higher bonus by Wesleyan and General

The Wesleyan and General Assurance Society is raising its reversionary bonus rate on ordinary branch assurances (other than Equity policies) for 1978 to 23.18 per cent.

## Lonsdale Universal still improving

IN HIS REVIEW of the year ended September 30, 1976, Mr. Norman Ramseyer, the chairman of Lonsdale Universal, says the improvement which enabled the group to stage a second-half recovery has been maintained in the opening months of the current year.

### BIDS AND DEALS

## H. Morris to meet shareholders

Herbert Morris has arranged a shareholders' meeting to be held on Friday, March 11, for informal discussions on the take-over bid from Babcock and Wilcox which is being opposed by both the Board and the workforce.

### MINING NEWS

## Canadian gold mines seek state aid

IN SPITE of the current firmness of the gold price compared with the levels obtaining in the first half of last year, Canadian gold mines are still hoping for federal aid.

## POSEIDON-ASSET UP FOR SALE

The sale of assets belonging to the collapsed Australian nickel company, Poseidon, continues with an advertisement by the receiver, Mr. Noel Buckley, inviting tenders for Samin, the copper-producing subsidiary with a mine and plant at Burr in South Australia.

## BENFIELD AND LOXLEY

Benfield and Loxley has disposed of Benfield and Loxley (Development) to Coleman Contractors (Oxford) for a maximum price related to net asset value of £50,000.

## DHAMAI TEA SELLS ESTATES

Dhamai Tea Company, a subsidiary of Dhamai Holdings, has disposed of its three tea estates for about £115,500, plus bills of exchange to 1980 of around £96,500.

## HESTAIR SELLS S & J STAKE

Following the lapse of its offer last month, Hestair announced yesterday that it has sold its 100 per cent holding of S & J to Jackson International at 114p per share.

## A. GIBBS STAKE IN SWISS BANK

Antony Gibbs Holdings 40 per cent. owned by Hongkong and Shanghai Bank has taken a quarter share in a Swiss bank, Wirtshaus- und Privatbank of Zurich.

## SHARE STAKES

On February 14, Jorhant Holdings purchased 50,000 Ordinary Shares in Western Deacons Tea Holdings to make total holding of 102,000 shares (47.6 per cent.).

## ASSOCIATES DEALS

Grenfell and Colegrave, on behalf of the chairman of Reed and Mallick, Mr. J. M. Kretschmer, on Friday bought 5,000 shares of Fostalg at 47p.

## THF IN U.S.

It is reported from New York that Trust House Forte Incorporated has completed acquisition of Knott's Hotels Corporation of New York City for undisclosed terms.

## ALBERT FISHER

For a consideration of £47,500, Albert Fisher Group has acquired Wharfedale and Palmer, wholesale fruit and vegetable merchants of Burnley.

## BUCKNALL TRUST

The directors of Bucknall Trust and the Federal Estate Company, which holds 28.8 per cent of Bucknall, are accepting the 203p share offer from Brenmar Holdings which holds 50.4 per cent of Bucknall.

## Staffordshire Potteries (Holdings) Limited

ON THE GROUP PROFIT FOR THE SIX MONTHS ENDED 31st DECEMBER, 1976. UNAUDITED ACCOUNTS. Six months ended 31st December 1976 1975. Group Turnover 4,414 3,421.

## Inchcape sees steady growth in Hong Kong

During a recent visit to Hong Kong, the Chairman of Inchcape, Mr. J. H. Wethered, said the group's Hong Kong subsidiaries were very sound and part must be a reflection of its worldwide operations.

## GOPONG OUTPUT DECLINES

With production on a declining trend, Gopong Consolidated, the tin group with mines in Malaysia, is hoping that the current buoyancy of the metal price will continue.

## United Asbestos in technical default

THE MONTREAL producer, United Asbestos, has run into financial problems and has been placed in technical default by the Mercantile Bank of Canada and its Japanese distributor, Kane-matsuo-Gosha.

Advertisement for Staffordshire Potteries (Holdings) Limited, including financial statements and company information.

Advertisement for Growth ahead for River and Mercantile, describing investment opportunities.

Advertisement for Copper Mine and Treatment Plant by Samin Limited, detailing project details and infrastructure.

Advertisement for Hestair Sells S & J Stake, detailing the acquisition.

Advertisement for Province of Newfoundland 9 per cent 1977-1989 Bonds, listing various financial institutions.

Advertisement for Manganese Mine Revived, detailing the project and infrastructure.

Advertisement for Plant and Machinery, listing various types of equipment for sale.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Cie Bancaire expects 30% profit increase

COMPAGNIE Bancaire, the hire purchase and personal finance arm of the Paribas group, is expecting consolidated profits for 1976 to be up by 30 per cent. on the previous year's Frs.168m. (nearly £20m).

BOEING PERFORMANCE

A tarnished success

BY JAY PALMER IN NEW YORK

BOEING, THE Seattle-based maker of the 707, 727, 737 and 747 jumbo jet, is the world's largest producer of commercial jet aircraft, accounting for, in its own estimate, over 60 per cent of the non-Communist market.

court that a preliminary study had found information that "tends to show" that Boeing may have "used corporate funds for non-corporate purposes" including political contributions in violation of criminal statutes.

A TWA Boeing 727 landing at Tucson, Arizona.

Marra Develops goes further into the red

TRUBLED pastoralist, Marra Developments plunged deeper into the red in the December half year but the directors expect to break even for the full year, after a 39 per cent increase in the abattoir group, Consolidated Meat Holdings.

No further Libyan investment in 1977

LIBYA will make no further major foreign investments this year other than the Fiat deal in which the Government is taking up to 13 per cent of the equity of the Italian company, a senior banking official indicated here.

But Boeing's current picture of financial health and its really outstanding success in attracting new orders (it took in over three-quarters of total U.S. orders) has been tarnished at least superficially in recent months by the company's running fight with the U.S. Securities and Exchange Commission.

AMERICAN NEWS

Gulf to tender for Madison

GULF AND WESTERN Industries Inc. said it plans to make a cash tender offer to buy all common shares of Madison Square Garden Corp. It does not presently own any shares.

International Accounting Standards Committee has released a discussion paper on accounting for changing prices.

Accounting proposals for changing prices TO ENCOURAGE greater uniformity of financial reporting practices around the world, the

paper points out that in the past, financial statements have been prepared without regard to changes in prices.

SWEDISH COMPANIES

Granges board pl

THE BOARD OF Granges, the problem-ridden Swedish heavy industry group, has agreed that Mr. John Aakerman, the managing director, shall remain in his post until the end of the year.

Advertisement for Northern Indiana Public Service Company, 2,000,000 Shares of Common Stock. Lists various financial institutions and dates March 7, 1977.

Advertisement for Inversionista del Transporte C.A., an autonomous agency of the Venezuelan Government, offering a U.S. \$15,162,790 Medium Term Loan.

Heinz sees flat fourth quarter R. J. HEINZ expects net income and earnings per share in the fourth quarter to level out on a comparable basis with the same quarter a year ago.

Bethlehem Steel credit agreement BETHLEHEM Steel Corporation said it signed a credit agreement

EUROBONDS TMK raising \$30m. By Tony Hawkins TOYO MENKA Kaisha Ltd. — seventh largest of the Japanese general trading companies — is to raise \$30m in the Eurobond market with a five-year note issue.

World Banking Corporation Limited advertisement, providing worldwide financing and complete banking services in the Bahamas. Includes contact information for Wobaco Holding Company S.A. in Luxembourg.

BONDTRADE INDEX table showing Medium, Long, and Convertible bond values for Monday and Friday.

INTERNATIONAL FINANCIAL COMPANY NEWS

J.P. Morgan & Co.

Tiger Oats wins behind scenes battle for Stein

OUR OWN CORRESPONDENT

AFRICA'S two major groups, Tiger Oats and... AFRICA'S two major groups, Tiger Oats and...

JOHANNESBURG, March 7.

Transvaal poultry operations were supplied exclusively from Tiger's new animal feeds plant at Randfontein.

Haw Par Int. reduces Jack Chia holding

By H. F. Lee SINGAPORE, March 7.

HAW PAR BROTHERS International has sold 5m. stock units of its shareholding in the Singapore-based company, Jack Chia-MPH.

CONSORTIUM BANKS

Not only the falling pound

BY MICHAEL BLANDEN

THE RESULTS which have been produced recently by a number of the London-based international consortium banking groups have provided strong evidence of continued growth in this sector of the banking community.

Profits and the balance-sheets of these banks, with their predominantly foreign currency business, have certainly been flattered by the effect of translating their results into depreciated pounds in the past year.

Figures have appeared from a wide spectrum of the variety of banks which fall under the general consortium description. They all have in common the feature that they are banks owned by a number of banking shareholders, concerned mainly with activities in the international Eurocurrency and banking markets.

Others which have been reported recently include European Banking (EBC), an offshoot of another powerful group, the EBC European co-operative and other general consortium operations.

The different characters of these banks draws attention to one of the features of the recent development of the consortium banking concept.

participants to get a foothold in the rapidly expanding London-based Eurocurrency market activities.

Those in the market now include a number of names which, in some cases in quite a short time, have established themselves as leading names in the market.

oil price rises made Arab conations as attractive as they are now and before the recent inflow of Middle Eastern support for London based operations.

One result of its special character is that unlike most consortium banks UBAF is very much concerned with commercial banking activities, and it

The final common problem affecting many of the consortium banks, and others in London as well, is the still unsettled tax issue relating to their subordinated foreign currency debt.

The tax snag has arisen because of the argument that the increased sterling liability on such debts cannot be offset against the nominal gains on the value of sterling in their subordinated foreign currency debt.

More recent arrivals, involve some specialisation either in which showed the biggest growth in activity last year.

Intenex, again, has as shareholders the Banco Nacional de Mexico, Bank of America group, Deutsche Bank, Dai-ichi Kangyo Bank and Union Bank of Switzerland, and holds about a half of its portfolio in Mexican loans.

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on margins in this lending as a result of growing competition, they generally expect that this year should bring further growth, though in some cases it may be difficult to sustain the rapid expansion of recent years.

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WESTERN BOND

V. German bond fully placed

BY JULIAN CLARK

LATEST West German Government bond has fully placed and with the strong private demand supported at its issue.

prices on Friday was the Bundesbank's decision to increase discount rates by DM2.5bn. In view of the current high level of liquidity among German banks, the move is being put down largely to tax-payment considerations later this month.

slow down in the cost of living index. In addition there is speculation that the West German Government will continue to finance a portion of its budget deficit abroad this year in the form of promissory notes after raising a net total of some DM3.3bn. by this means in 1976.

most immediate concern which prompted a rise in overall bond

most immediate concern which prompted a rise in overall bond

most immediate concern which prompted a rise in overall bond

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns for STRAIGHTS, NOTES, FLOATING RATE NOTES, CONVERTIBLES, and various bond types with their respective prices and yields.

Burns Philp earnings rise

BY JAMES FORTH

BURNS PHILP, the diversified trading and investment group, has reported a 11 per cent increase in its earnings for the first half of the year.

its substantial share investment portfolio, realising SA\$5m. in the past six months. At the same time it has embarked on a number of takeovers, including Ira Berk, A. J. Chown, Yencken Glass and Sun Electric and jointly with Englehard of the U.S., a controlling interest in the iron ore group Robe River.

VEREINS-UND WESTBANK advertisement including logo, highlights for 1976, and contact information for Hamburg and Luxembourg offices.

Norsk Hydro a.s. advertisement featuring the company logo, U.S. \$50,000,000 8 1/2 per cent. Bonds 1992, and a list of international correspondent banks.

ELF NORGE A/S advertisement featuring the ELF logo, U.S. \$40,000,000 7 1/2 per cent. Guaranteed Notes 1982, and contact information for Societe Nationale Elf Aquitaine.

Little change in early trading

BY OUR WALL STREET CORRESPONDENT

LITTLE CHANGE was recorded on Wall Street today. Market sentiment was getting a lift from some fresh signs of a business pickup...

OTHER MARKETS

Canada mixed

Canada's Stock Markets were mixed in light trading yesterday morning. The American SE Market Value Index put on 0.6% to 111.51...

BRUSSELS

Mixed in quiet account-day trading. Steels were mostly higher following the week-end...

VIENNA

Mainly lower in light volume. Registered and Bear shares were mostly higher...

COPENHAGEN

Generally lower in fair dealings. Banks, Commodity and Commodities were easier...

SWITZERLAND

Generally very steady to lower. Non-Ferrous Metals gave ground. Chemicals were unchanged...

U.S. shares

Scored small gains. South African Gold Mines firmed. Dutch advances, French stocks were steady...

AMSTERDAM

Steady on little interest with Dutch Internationals edging higher. Shipments were mixed. Insurances very steady...

MILAN

Moderately higher on renewed general demand. Leading Industrials, Banks and Insurances were all selectively up...

HONG KONG

Lower in quiet trading. Hong Kong Bank was down 20 cents to HK\$20.00...

TOKYO

Lower in light trading. Volume 180m shares. Many shares initially advanced on expectations...

OSLO

Industrial and Shipping were quiet. Bankings slightly firmer, while Insurances were easier...

VIENNA

Mainly lower in light volume. Registered and Bear shares were mostly higher...

COPENHAGEN

Generally lower in fair dealings. Banks, Commodity and Commodities were easier...

SWITZERLAND

Generally very steady to lower. Non-Ferrous Metals gave ground. Chemicals were unchanged...

U.S. shares

Scored small gains. South African Gold Mines firmed. Dutch advances, French stocks were steady...

NEW YORK, March 7.

Japan will cut official discount rate, but the market later turned lower on some profit-taking and other selling.

Resources-Related issues lost ground after recent firmness and Electricals were also lower.

Shows Oil lost 7/8 to 4 1/2, Tea Nanyo 7 1/8 to 6 1/2, Soy 4 1/4 to 2 1/4, TDK Electric Y40 to 1 1/4, Alps Electric Y30 to 1 1/4.

But Housing gained ground on expectations of increased Government investment in Public Services in the next fiscal year.

JOHANNESBURG—Gold shares were off levels. The Market was little affected by increases in Customs and Excise and Sales Duty...

Financial Minings were also firm. Coppers were harder, while Platinum also extended recent gains.

Asbestos issues moved back to closing levels after earlier highs, while Collieries lost ground. Industrials were neglected.

AUSTRALIA—Mixed, with Golds higher but Construction lower. Properties gave ground on rumours that a major unlisted Property firm was facing serious financial troubles.

Booker shed 6 cents to 58 cents. Lead Lease 10 cents to 32.00, Penfield, 10 1/2 to 22 1/2, and B&S 5 cents to 85 cents.

Financiers known to be heavily involved with property companies were also weaker, as were some of the Banks and major New South Wales Brewers with large property holdings.

Most Coal Mines managed to hold onto their gains. Uthmaniyah picked up 5 cents to 34.00.

Metals were very patchy, but there was general support for Golds and Tins, reflecting the peak prices for these metals on the London Commodities Exchange.

Oil was dull. NOTES: Overseas prices shown below include a 5% premium, unless otherwise stated.

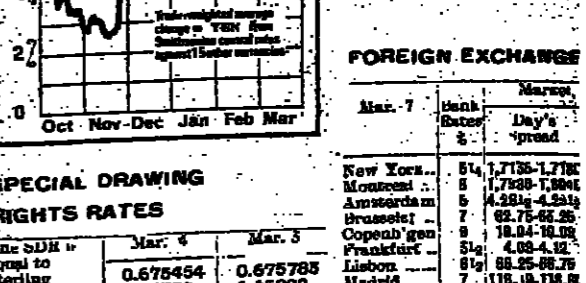
U.S. \$ in Montreal: U.S. \$100.00 = 100.00 Canadian cents. Canadian \$ in New York: Cdn \$100.00 = 77.55 U.S. dollars.

Starting in Milan 15.25, 15.25. Rates for U.S. \$ in Milan 88.70-88.80. U.S. \$ in London 163.25-163.25. Rates for U.S. \$ in London 163.25.

Gold higher

Gold rose \$2 to \$142.10 in New York, but the West German market was fair, steady, but the West German market was fair, steady, but the West German market was fair, steady...

fairly steady, but the West German market was fair, steady, but the West German market was fair, steady...



STERLING—Sterling advanced in quiet trading in the foreign exchange market following a generally favourable reaction to the latest wholesale price index. It opened at \$1.715-1.715...

The dollar's trade-weighted average depreciation since the Washington Agreement as calculated by the Foreign Guaranty of New York on non rates, widened to 0.36 per cent from 0.30 per cent.

Other currencies were generally steady. ARGENTINA—Argentine peso advanced to 163.25-163.25. AUSTRALIA—Australian dollar advanced to 1.63-1.63.

EURO-CURRENCY INTEREST RATES. Mar. 7. Starting U.S. Dollar. One month 12 1/4, Three months 12 1/2, Six months 12 3/4, One year 13 1/4.

MILAN. Mar. 7. Price + or - Div. Yld. Alfa Romeo 150 + 1 15.00, ANIL 250 - 2 12.00, Ansaldo Fin. 250 + 1 12.00.

PARIS. Mar. 7. Price + or - Div. Yld. Air France 450 + 1 12.00, Bouygues 100 + 1 12.00, Cofir 100 + 1 12.00.

BRUSSELS/LUXEMBOURG. Mar. 7. Price + or - Div. Yld. Arbed 100 + 1 12.00, Belfrage 100 + 1 12.00, Cofir 100 + 1 12.00.

AMSTERDAM. Mar. 7. Price + or - Div. Yld. Ahold (PLD) 100 + 1 12.00, Alko (PLD) 100 + 1 12.00, ALE (PLD) 100 + 1 12.00.

TOKYO. Mar. 7. Price + or - Div. Yld. Asahi Glass 100 + 1 12.00, Dai Nippon Paper 100 + 1 12.00, Daiwa Bank 100 + 1 12.00.

STOCKHOLM. Mar. 7. Price + or - Div. Yld. AGA AB (K:20) 100 + 1 12.00, Alfa AB (K:50) 100 + 1 12.00, Almqvist AB (K:20) 100 + 1 12.00.

COPENHAGEN. Mar. 7. Price + or - Div. Yld. Aalborg 100 + 1 12.00, Arbejdernes 100 + 1 12.00, Bors 100 + 1 12.00.

VIENNA. Mar. 7. Price + or - Div. Yld. Austria 100 + 1 12.00, BAWAG 100 + 1 12.00, Creditanstalt 100 + 1 12.00.

SPAIN. Mar. 7. Price + or - Div. Yld. Banco de Espana 100 + 1 12.00, Banco de Valencia 100 + 1 12.00, Banco de Vizcaya 100 + 1 12.00.

Table of FOREIGN EXCHANGE rates for various currencies including New York, London, Frankfurt, Zurich, and others.

Table of EXCHANGE CROSS-RATES for various international locations like Frankfurt, New York, Paris, Brussels, Amsterdam, Zurich.

Table of EURO-CURRENCY INTEREST RATES for various terms and currencies.

Table of FORWARD RATES for various currencies and terms.

Table of MILAN stock prices for companies like Alfa Romeo, ANIL, Ansaldo Fin.

Table of AUSTRALIA stock prices for companies like ACME, Anson Australia, Allard Brothers.

Table of BRUSSELS/LUXEMBOURG stock prices for companies like Arbed, Belfrage, Cofir.

Table of AMSTERDAM stock prices for companies like Ahold, Alko, ALE.

Table of TOKYO stock prices for companies like Asahi Glass, Dai Nippon Paper, Daiwa Bank.

Table of STOCKHOLM stock prices for companies like AGA AB, Alfa AB, Almqvist AB.

Table of COPENHAGEN stock prices for companies like Aalborg, Arbejdernes, Bors.

Table of VIENNA stock prices for companies like Austria, BAWAG, Creditanstalt.

Table of SPAIN stock prices for companies like Banco de Espana, Banco de Valencia, Banco de Vizcaya.

Large vertical advertisement for Brazilian coffee, featuring the text 'Brazilian Coffee' and 'Coffee on warning'.

Indices

NEW YORK - DOW JONES

Table showing Dow Jones indices for Industrial, HomeBldg, Transport, Utilities, and Trading Vol.

STANDARDS AND POORS

Table showing Standard and Poors indices for Industrial, Composite, and Bond yields.

OVERSEAS SHARE INFORMATION

NEW YORK

Large table listing various overseas stocks and their prices, including companies like Abbott Labs, Aetna Life & Gas, Air Products, etc.

CANADA

Large table listing various Canadian stocks and their prices, including companies like Alcan, Bell Canada, Canadian National, etc.

BRITAIN

Large table listing various British stocks and their prices, including companies like Anglo Siam, Anglo American, Anglo Overseas, etc.

EUROPE

Large table listing various European stocks and their prices, including companies like Anglo Siam, Anglo American, Anglo Overseas, etc.

Large vertical advertisement for Brazilian coffee, featuring the text 'Brazilian Coffee' and 'Coffee on warning'.

ARMING AND RAW MATERIALS

Non-ferrous metals

AS the star performer London Metal Exchange...

Brazilian export tax rise boosts coffee market

COFFEE FUTURES prices leapt to new peaks on the London terminal market yesterday following the announcement of a steeper-than-expected increase in the Brazilian contribution quota (export tax).

Glucose syrup levy 'horror'

PUNITIVE, HORRIFYING. Laid off these words just some of the terms used yesterday by representatives of the British Maize Refiners' Association and Cocoa, Chocolate and Confectionery Alliance to describe the EEC Commission's proposal for a special levy on high fructose glucose syrup.

Commodity stocks fund talks open

AFTER THREE preparatory meetings a full conference to negotiate commodity stabilisation arrangements began here today.

MANGANESE ORE

Marathon haggle over contracts

EACH NOVEMBER major manganese ore producers meet their customers to hammer out contracts for the year ahead.

Recession

So far consumers have stood fast. Certainly, the steel recession gives them ample excuse to take a cautious line.

Lower Indian grain output forecast

DECLINES were indicated in oilseed production in the 1976-77 season estimated at between 107m and 111m tonnes.

High carbon

The alloy market reflects few such courtesies. Although most ferro-manganese transactions take place under long-term contracts, the past 18 months have been marked by aggressive marketing and fierce price-cutting.

U.S. beef imports restricted

THE U.S. STATE Department says it has completed a series of voluntary agreements with beef exporting nations that will limit American beef imports this year to about 7 per cent of domestic production.

via queries

LA PAZ, March 7. Is waiting for a report before making a decision on last week's by the International Oil to establish a system of price control for oil.

LOW PHILIPPINE COPRA EXPORTS

MANILA, March 7. PHILIPPINE Copra exports rose to 45,473 long tons in February from 35,677 in January, but were below the 97,502 tons in February 1976.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Metals, Rubber, and other commodity prices. Includes sub-sections for Metals and Rubber.

COCOA

Table showing cocoa prices for various grades and origins.

COFFEE

Table showing coffee prices for various grades and origins.

PRICE CHANGES

Table showing price changes for various commodities.

U.S. beef imports restricted

Table showing U.S. beef import restrictions for various countries.

TESTING OFFICER

OR INTERNATIONAL BANK performance in Telex messages which require authentication and transmission of payments, etc. Salary £3,500

VEL

Rich 2 Holiday Inn Hotels

Rich 2 Holiday Inn Hotels

Rich 2 Holiday Inn Hotels advertisement text.

In Topp?

Would you take profits on Coffee? Its will give plenty of warning.

JUTE

JUTE market report text.

Commodity Charts

Commodity Charts advertisement text.

SOYABEAN MEAL

SOYABEAN MEAL market report text.

SUGAR

SUGAR market report text.

SILVER

SILVER market report text.

WOL FUTURE

WOL FUTURE market report text.

THE GRAINS

THE GRAINS market report text.

RUBBER

RUBBER market report text.

GRASSY WOOL

GRASSY WOOL market report text.

FINANCIAL TIMES

Table showing financial data from the Financial Times.

REUTERS

Table showing financial data from Reuters.

MODY'S

Table showing financial data from Mody's.

FINANCIAL TIMES

Table showing financial data from the Financial Times.

REUTERS

Table showing financial data from Reuters.

MODY'S

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# PACKAGING

After the peaks and troughs of recent years, the packaging industry is hoping for a steadier build-up of demand as the economy improves. Rising costs, especially of imported materials, remain a problem.

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British packaging industry is hoping for a swift recovery since the disastrously depressed period in 1975, but remains tied to the manufacturing activity which provided some recovery but not sufficient to output to 1974 levels. Continued predictions of prospects being just the corner, most sectors experienced a slow build-up from customers cautious about building and about costs in As prices of packaging (steel, stockpiling has an expensive luxury. Demand in some has been strong and the stockpiling has the industry to get a ure of demand, and it welcomes the more arket. In the base of d industry, usually by violent fluctuations, regarded as important. rial buyers of packaging materials are also putting more emphasis on cost. packaging, making use increasingly wide range available to them in packaging techniques given higher though steadily s and costs. Although tools of the industry, manufacturers, an essential re- unchanged, there is a

wide variety of new alternatives available and the role of a manufacturing company's packaging expert is becoming crucial. The cost of installing modern packaging equipment is now very high and underlines the need for the right system to be adopted to meet a range of needs from product protection to consumer attractiveness. The major packaging materials suppliers, such as Reed's, Spicer and Cowan subsidiary and Bowater are increasingly involved in advising customers in this respect. The comparative cost of raw materials used in a system is of obvious importance, but the ability of anyone to forecast correctly future prices, for example, of plastics in relation to paper or board, is limited. For that reason, and the assumption that two competitive products cannot become too disparate in price, decisions tend to be made for more practical reasons. On the other hand, once a system is installed costs are continually made to trim unit costs, perhaps by using thinner plastic film or less board. Nevertheless, it is worth examining raw material costs. The cost of paper and board is likely to increase in line with the rate of inflation, but perhaps not at the rapid rate experienced a few years ago. Similarly, plastics will increase in line with the price of oil. So it can be tentatively assumed that a relatively stable structure will exist for some time, with an increasing input of waste paper assisting in stabilising the paper and board sector.

try to meet U.K. needs. But manufacturers dependent upon imported woodpulp rather than waste paper are at the mercy of the fluctuating pound. For that reason, as pointed out by Mr. Tom Corrigan of Inveresk in his recent statement as president of the British Paper and Board Industry Federation, further improvements in sales realisation are needed to restore the balance between pulp and paper and board prices. Between January and October last year packaging prices rose by almost 7 per cent, according to an index prepared by Siebert-Head and Eurofood. The index, which took January last year as its basis and monitored the prices paid by manufacturers, rose from 106 in July 1976 to 108.89 in August, ample indication of the rate of increase. Metals showed the biggest increase during that period, rising by nearly 12 per cent, while the cost of plastic bottles, jars, caps and closures rose by nearly 11 per cent. The price of corrugated packing cases of paper and board rose by just over 1 per cent. Wooden containers went up by about 6 per cent, and glass by nearly 7 per cent.

It is perhaps interesting to note that in the second quarter of 1976 sales of packaging paper and board rose to £328m, in the first quarter, while metal sales rose to £153m. In the second quarter compared with £128m, and glass sales rose in value from £47m to £32m. The glass container industry, after a similar period of stagnation to that experienced in other sectors, is now fairly optimistic about prospects. The Glass Manufacturers Association said recently that there might be a rise of 5 per cent, in demand in 1977, compared with 1976, against only 2 per cent during the previous 12 months. This rate of increase in sales is also expected to continue through 1978, a prediction underlined by the decision of Red-

fearn National Glass, third largest of the U.K. manufacturers, to double its capital investment to £5.5m. In the current year. Up to the end of last year the industry had about 10 per cent of its capacity shut down, but a recent revival in the market was unexpected enough to cause a temporary shortage before the additional capacity could be brought back on stream. At the same time some container manufacturers have taken the opportunity to seek price increases.

was growth in some sectors. Total value of sales in the U.K. during 1976 was estimated at about £500m. If, as is widely supposed, the packaging market last year reflected true consumption rather than stockpiling, it must be regarded as a relatively good sign for 1977 and the two years will perhaps provide important information about the British overall sales are further in-

creased this year, or the inflation rate is considerably reduced, the health of the industry will suffer. There are fears, expressed recently by Mr. Corrigan on behalf of the paper and board industry, that if inflation in Britain and other countries is allowed to increase, there could be a return to the highly-volatile market conditions, with peaks and troughs of demand and lack of demand, which have proved damaging in the past. Other sectors of the industry would similarly wish to see an orderly build-up of demand which can be sustained over a period and allow companies to build up depleted capital reserves and undertake investment in a stable economic climate.

In plastics, like board and fibreboard, demand was high in the first two quarters of last year, but fell back in the second half, probably because of an end to stockpiling. Overall sales of plastics increased significantly last year to £442m, compared to the unusually low figure of £300m in 1975. But more important, the 1976 tonnage exceeded the 1974 figure by some 25,000 tonnes. The 1976 upturn was led by the film sector, reflecting the major growth in the use of shrink and stretch wrap in a wide range of applications, also with particularly good growth in refuse sacks, while low density polyethylene made further inroads in the replacement of waxed paper for bread packaging. There was also substantial growth in the demand for high density polyethylene polymer, estimated at nearly 40 per cent.

The market for aluminium film also showed a fair improvement on the year, which was fortunate for an industry which has recently made heavy capital investment. Consumption during the year was 41,500 tonnes compared with 37,000 tonnes in 1976. However, imports of foil during the year rose to 21 per cent of the total, relating almost directly to the overall increase. Tinplate demand was firm during the year and there

market when compared, because little distortion will be present. However, the increase in the value of sales, and indeed the profits of packaging and converting companies, should be seen in the context of inflation. Assuming for this purpose an inflation rate of around 15 per cent, it is clear that unless overall sales are further in-

creased this year, or the inflation rate is considerably reduced, the health of the industry will suffer. There are fears, expressed recently by Mr. Corrigan on behalf of the paper and board industry, that if inflation in Britain and other countries is allowed to increase, there could be a return to the highly-volatile market conditions, with peaks and troughs of demand and lack of demand, which have proved damaging in the past. Other sectors of the industry would similarly wish to see an orderly build-up of demand which can be sustained over a period and allow companies to build up depleted capital reserves and undertake investment in a stable economic climate.

rolled twice to produce a more sophisticated material suitable for advanced canning processes. Only about 10 per cent of British produced tinplate at present is of the DR variety. The new Ebbw Vale plant will raise that percentage dramatically as well as easing the overall pressure being put upon BSC's tinplate production facilities. The new plant will be able to make 80,000 tonnes of DR tinplate a year or 170,000 tonnes of ordinary tinplate.

The Board of BSC has just passed to the Government its revised recommendations for developing steelmaking at the big Port Talbot plant in South Wales and the linked plans for the future of the Shotton steelworks, North Wales. It is very much in the interests of the tinplate users that Port Talbot should be expanded as quickly as possible. All future plans for the development of tinplate making in Britain depend upon a new hot rolled strip mill being built at Port Talbot. At present the strip for tinplate comes mainly from Port Talbot and

BRITISH STEEL Corporation, the only tinplate producer in the country, is pushing its manufacturing plants in South Wales hard to keep up with the demands of the can making industry. Record tonnages are being produced. Last year BSC made 1.1m. tonnes of tinplate and this year demand is expected to be several percentage points higher. At a time when there is a deep slump in international demand for common steels the buoyant tinplate business is one of the few bright spots among British Steel's activities.

The main reason for rising tinplate sales is the recent success of the tin can for the packaging of beverages — beers and soft drinks. The market is growing fast and the can makers are doing all the research and design possible to encourage continued growth. Seamless cans manufactured from just two pieces of tinplate — a body and a top — are the latest innovation introduced to attract drinks makers and brewers to cans rather than bottles. The beverages market and aerosols are getting the special attention of the can makers because they are a welcome relief from the rather sluggish general foods market. The growth of frozen

foods, and competition from jars and other packaging, has brought the canned foods market on to a sales plateau from which it does not, so far, see a ready means of escape into a new period of growth. The two-piece can is pressed from a flat sheet into a three-dimensional form by careful machinery design and by using the tin on the tinplate as a lubricating material. The thin sheet steel is smoothed into can shape without tearing. Then a top is added after the canner has filled it. It is important to have the tinplate produced to exacting specifications. BSC acknowledges that they have had problems in supplying the can makers with the qualities and quantities they demand at precisely the moment the tinplate is needed.

But the situation should become easier during the next 12 months as new tinplate plant now being built goes into production. At the big BSC Ebbw Vale works, South Wales, where steel-making is being closed down, a £57m. investment in new tinplate plant is now in its final stages. There will be a tinplate line and a rolling mill for producing ordinary or "double-reduced" tinplate—in effect this DR plate is cold

Llanwern steel works with a little being made by the Ebbw Vale plant. Additional supplies to feed bigger tinplate plants must come from new facilities at Port Talbot. Both the BSC and the can makers are hoping that the Government will lose no time in approving the BSC expansion plans for Port Talbot. The Trostre and Velindre tinplate plants in West Wales, run by BSC Tinplate, are both comparatively modern. They were built in the 1950s. Modernisation of the Ebbw Vale tinplate works will complete the first phase of BSC Tinplate's manufacturing expansion plans. But already it is clear that a second round of manufacturing development for tinplate will be needed by the 1980s to cope with market demands. World consumption of tinplate is running at about 13m. tonnes and rising steadily. The tonnage has doubled in the last twenty years. By the early 1980s world demand is expected to touch 16m. tonnes. BSC has to cater for its share of the expansion if it is to be able to supply the home market and maintain a reasonably size and healthy export trade in tinplate. Currently it

tinplate sales buoyant

Plans

CONTINUED ON NEXT PAGE

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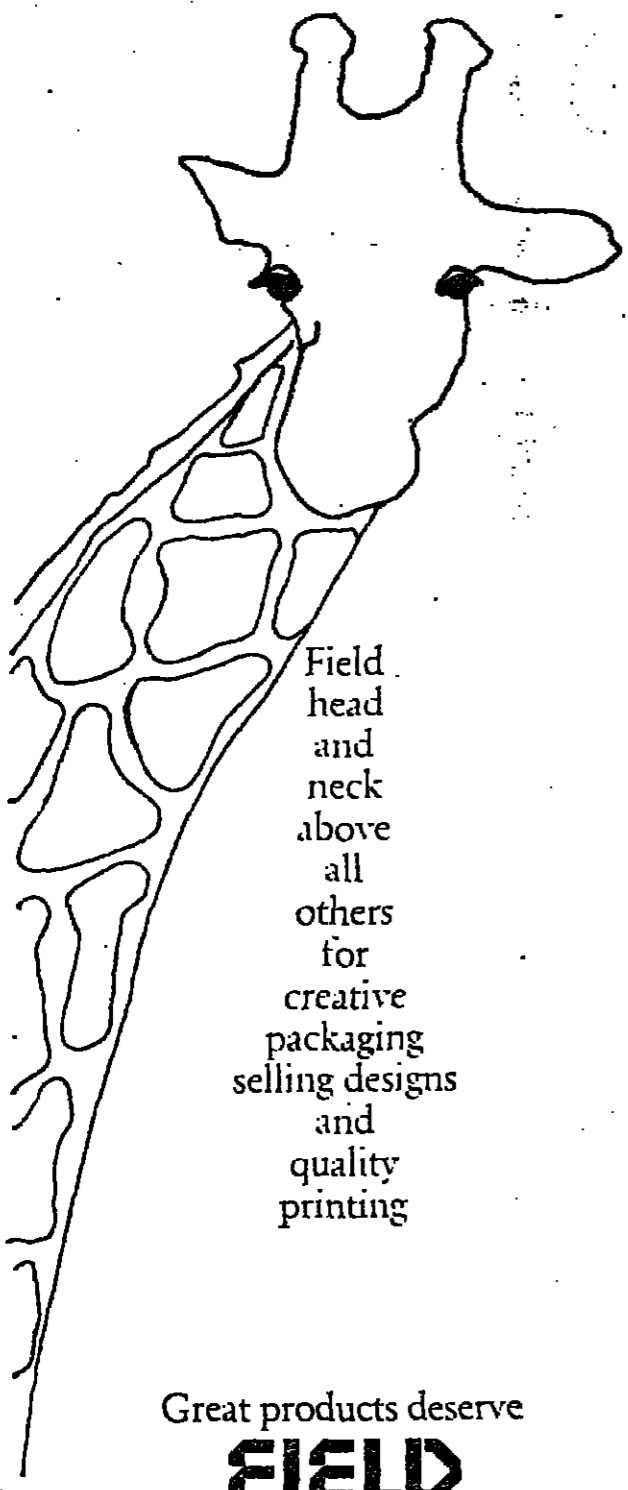
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THE CHANGING nature of retailing continues to put pressure on the manufacturer to present and display his product in such a way as to protect it from damage. Keep it hygienic, sell it at a competitive price and, perhaps most important of all, make it attractive to the customer.

Range

However, the range of packaging choices is vastly improved by the availability of new materials which can be used in an infinite variety of ways. The problem is deciding on the right one or combination. The high cost of packaging machinery will not allow mistakes, and the need for consultation and decisions at the highest level can be of vital importance.

Although the cost of raw materials or packaging equipment may be an important consideration in the decision, they are unlikely to override other criteria such as protection, point of sale convenience and attractiveness. In the long run a small saving on machinery may result in far greater losses through breakages or reduced sales.

However, the introduction of shrink and stretch wrapping techniques in particular has introduced a new dimension to packaging, offering manufacturers the opportunity to automate or partially automate intensive work. This does not necessarily mean that the traditional containers are discarded, but may often be used in combination with new techniques. It may mean that the number of packaged units is reduced, significantly cutting costs on high volume production lines.

set up a modern packaging facility. But there are some industries, such as cigarette manufacture, where packaging has become such an integral part of production, that assistance is necessary. In these circumstances, and in other less advanced industries, the role of packaging engineers is crucial. The multiplicity of materials and systems available is well publicised through trade channels, and increasingly through exhibitions, but customers are often insistent on seeing equipment in action, explaining their particular needs and tailoring the system accordingly.

Manufacturers are sometimes faced with the difficult position of having to advise their customers on how to achieve greater cost effectiveness and thereby cut their own sales to that customer, but they are willing to do so because one of their competitors would otherwise step in.

THE HISTORIC growth rates for corrugated cases, cartons and other packaging board seems unlikely to be resumed after the recent severe recession. Last year production of packaging boards in the U.K. increased by 17 per cent, to 799,300 tonnes, but this increase compares with the disastrous slump in demand during 1975, and it seems highly problematic whether this rate of increase can be sustained. The figures for food wrapping papers were 55,700 tonnes compared with 48,900 in 1975; for kraft wrapping 147,300 compared with 133,800 in 1975; other wrapping and packaging papers 941,400 compared with 767,200 tonnes in 1975.

ing of milk, it is clear that the delivered product will invariably come in bottles, while the battle for casual sales has been fought between plastic containers and board cartons. But the suitability of complex blow moulding systems in the difficult environment of the dairy has been called into question, as have the capital costs for smaller dairies. Although plastics containers have some attractions; the environmental advantages and printability of board, and its simplicity of use, have been persuasive factors in promoting its use by dairies.

On the other hand the use of woven plastic sacks as containers for a wide range of chemical and agricultural, as well as industrial products, is continuing to gain ground. At the heavy end of the market pallet applications have been revolutionised by the wide range of strapping and securing equipment which can be used in conjunction with stretch or shrink wrap, with bulk con-

tainers constructed from strengthened boards replacing the more traditional timber and plywood. The pallet cage has achieved popularity in the food industry, but its use has had some effects in that products carried in it must perhaps be packaged more strongly than would otherwise be necessary. Perhaps the most interesting development for some time is that of laminates, which offer a number of highly desirable qualities such as their properties to contain liquids with minimum effect, and their use in the food industry could increase rapidly. But they are at present one of the more complex types of packaging and expert advice would usually be required for their use.

One of the more interesting battles in the container industry seems now to be developing between the U.K. can industry in the form of Metal Box, and the glass container makers, for the take-home beer market, a very considerable prize.

At present nine out of ten materials, and is costing some 31 per cent of plastic used in the food, allied industries. Competition with products is likely to be noticeable in such refuse sacks, where for is price and environmental arguments cheapness of the plastic has increased its use. Similar such as bread food containers will be competitive. Expert opinion of materials in general is to rise, but slow rate. This a with minor exceptions petitive position of will be affected to tent: by marketing packaging for the p

Obstacle

However, a major obstacle in the way of new packaging materials and techniques is clearly the cost of introducing new capital plant. Although the unit cost can be proved to be lower in many instances, this is to be weighed up against the cost of tying up valuable capital. As a result, far more companies are content to improve and improve on existing equipment. This problem will probably continue while company profits remain low, but for newly established packaging lines it clearly offers an opportunity for obtaining sales price advantages over less modern facilities operated by competitors.

Historically, the greatest variety of packaging choices has been created by the application of plastics to a wide range of uses, some of which initially appeared to be technically difficult or even impossible. In future plastics appear to offer the most promising areas of development, although increasingly in combination with other materials, such as glass, board or metals.

The plastics packaging industry is now the largest single application market for plastics.

Corrugated cases

the first place it will be difficult to find a substitute where ease of handling, stacking and solid all-round protection are required, particularly for fragile goods. Secondly, cartons and cases will be likely to continue to have an advantage where an attractive display is required. The industry seems likely to move gradually from high volume packaging to the quality market. Some recent developments have allowed corrugated cases to be printed to a high standard of quality. This development is significantly improving the status of what used to be regarded as a low class packaging material.

corrugated cases of about 11 per cent, but this was measured against a very low level of demand in the recession in 1974 which followed the oil crisis. Next year, it is likely that the general rate of increase will fall back significantly. However, a survey by ICC Business Ratios, the London management information organisation, indicates that the packaging industry has not been hit nearly as severely as the overall paper and board industry. The survey showed that a substantial proportion of companies were still operating very profitably. The report compares the performance of 80 leading companies in the field over a three-year period up to December, 1975. It shows that average sales increased 54 per cent in money terms, although the growth in 1973 and 1974 was much slower. This rate of increase mainly reflects the steeply rising prices and the costs of raw materials, so it appears that in volume terms sales have declined.

Insulating

In addition, the development of reinforced corrugated materials and different forms of laminated and specially-faced corrugated has widened the range of uses for this material to include insulating material, building applications and various uses in arts and crafts. In the four years up to 1974, total production of corrugated in the EEC rose about 2.5 per cent a year to reach a total of 6m. tonnes in 1974. This growth rate is very much slower than the historic rate for the industry and represents a doubling of output every 24 years compared with a doubling period of eight years previously. The trend in the U.K. was very similar to that of the rest of Europe, with an increase from 1.2m. tonnes in 1972 to 1.3m. in 1974.

The folding carton market is also expected to expand more slowly than in the past for similar reasons. In common with all other paper and board products, cartons have suffered an enormous increase in the price of raw materials. As European economic prospects improve, it is inevitable that the market for cartons will increase, but the competition from other materials will also mean that the growth will not match general economic growth rates as closely as in the past. Last year there were encouraging signs of a revival with a growth in U.K. demand for

However, the variation between individual companies was quite large. The most successful achieved a growth of sales of 30 per cent a year, twice the performance of the least successful companies. Total profits, having risen by 60 per cent in 1974, fell by 11 per cent in 1975 and the average return on capital was 17 per cent in 1975. The best companies, however, recorded a return on capital of 35 per cent, in spite of the lower volume of sales. However, at the bottom end of the scale, there were 12 companies making less than a 10 per cent return on their capital. The rise in raw material prices has meant that packaging manufacturers have had to tie up more and more of their working capital in stocks, and this has made the achievement of a good return increasingly difficult. In the longer term the future of the board and carton industry must depend very much on the trend of prices in raw materials. Increasing use of recycled fibre may help to stabilise prices, although it will initially require considerable capital investment.

Max Wilkinson

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Tinplate

is exporting some 350,000 tonnes a year. Recently Mr. Ray Frost, director of Metal Box's Open Top Group, fired a broadside at British Steel at a conference in Wales to discuss tinplate. Metal Box is in a special position as it takes between 80 per cent and 70 per cent of British Steel's entire tinplate sales in Britain. Mr. Frost said BSC must improve its reputation for delivery or British tinplate users would have to buy elsewhere—inevitably from abroad. He said: "We are a fast-moving business and therefore so are you. Tinplate to-morrow when the peas ripened yesterday is no help to anyone."

At the same straight-talking meeting he told BSC that quality control was BSC's job—not that of the can makers: "It costs in excess of £3 a minute to run one of our new two-piece can production lines. You will appreciate therefore the significance of every single stop that is caused by defective material." Mr. Alexander Pace, chairman of Metal Box, told the select committee of the Commons looking into British Steel, that

Continued from previous page

while BSC's inspectors had been rejecting 4.2 per cent of tinplate deliveries. Metal Box inspectors had been rejecting a further 1.2 per cent. BSC Tinplate is making big efforts to improve quality while keeping up the quantity of its deliveries to the can makers. If current trials prove a success new inspection equipment during the production process may be introduced at the tinplate plants.

Fashion

The tinplate industry has developed in a haphazard fashion over the years and to-day there are literally thousands of specifications on offer from the makers to suit the needs of the 40-odd can making companies in Britain. The National Economic Development Office takes the view—supported by at least a section of the can makers and some BSC management—that if the tinplate specifications can be rationalised to a much smaller number it should be possible to make appreciable financial savings on tinplate making and can making

Continued from previous page

—hopefully with consequent savings to the consumer. NEDO is leading a round of talks towards achieving rationalisation in the tinplate industry and hopes that what emerges may prove to be a model for other industries. With production in Britain of more than 10,000m. tin cans a year even a modest degree of rationalisation will enable considerable financial savings. For example, the amount of tin used in tinplating has already fallen by two-thirds in 20 years, if by revising tinplate specifications, some small further reductions in tin thicknesses can be agreed there could be an annual saving to the industry of some £3m. The present proliferation of tinplate sheet sizes required by manufacturers cause rolling problems for BSC. Rolling tinplate is not easy and the widths produced actually vary considerably during the short life of the rolls before they have to be re-ground. A more limited number of sheet sizes clearly would help BSC to optimise output.

Roy Hodson

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# Advances in plastics

Plastics packaging in Britain 1977 looks as though it will be a highly successful period. The past year has seen the industry return to a level of output after the slump of 1974-5. The industry's share of the total packaging market has grown from 4 per cent to 17 per cent in 1976. Some 600,000 tonnes of plastics are used in packaging—around one-third of all plastics output—compared with less than 300,000 tonnes in 1974. The industry is unlikely to be held back by a recession in 1977. Although last year plastics with sales of £440m. was in second place behind textiles which had sales worth £500m., the gap has been narrowing and it seems likely that within the next few years industry will be spending more on plastics than on any other packaging material.

The next few years are likely to be significant for the industry in other ways too. The prospect of several more ethylene plants being built in the U.K. with associated downstream plants should ease fears that the industry's growth could be hindered by lack of domestically-produced supplies of its most important raw materials. Some

of the problems caused by the mushroom growth of the past decade or so remain to be solved, however. A report on plastics packing by the Plastics Steering Committee of the National Economic Development Office last year emphasised some of the weaknesses in the industry's structure—in particular the proliferation of small companies and the poor profitability of many of them. The committee for investment requirements of £130m. to replace existing capital and a further £70m. for capacity increases but warned that many companies would be unable to fund future investment programmes. The industry is thought to consist of at least 400 companies ranging from very small operations serving a predominantly local market to the top 15 businesses which account for half the market's needs.

The advance of plastics in packaging has been due in large measure to the very many forms it can take, enabling it to attack

just about all the other main packaging mediums, as well as perform some tasks not open to traditional materials. Furthermore despite the effect of the oil crisis plastics has remained highly competitive showing a smaller percentage increase in price than any of its major rivals. In terms of 1976 prices plastics closures bottles and jars are up from a base of 100 to 218 and other plastics materials are up 217, against rises of up to 266 for paper, 240 for glass, 247 for open top cans and 238 for tinplate.

This despite holding down prices despite increases in the cost of its oil-based raw materials is the result of the industry's very rapid growth, notably in food. Changes in society have meant an increased demand for leisure, and plastics has helped to satisfy this by making possible the growth of the convenience foods industry. Food is now the biggest single use for plastics packaging, accounting for 50 per cent. of all the material used and although the recession has resulted in some trading down by consumers, away from packaged goods, the move is expected to be only temporary.

The biggest single plastics packaging sector is film, again accounting for around 50 per cent. of total tonnage, and in the food sector substantial further growth is expected with the development of new methods of processing and new laminates. In the meat trade there is now a trend towards vacuum packing of deboned carcass sections at its abattoir to replace the distribution of whole carcasses. Rapid growth has also taken place over recent years in sales of small packs of cooked meats,

and steady growth is also expected in sales of packed bacon and cheese. Some new food markets have also been opened up within the past year for plastics packaging. The big bread groups who have been packing their more expensive brands in polyethylene for some time are switching out of waxed paper for the standard ranges, creating a new outlet estimated at 10,000 to 15,000 tonnes for plastics by 1980. In the non-food area another major growth area for plastics has been in carrier bags with consumption per head in the U.K. rising from 0.5 bags per year in 1968 to ten per year in 1975. Even at this level U.K. usage of around 600m. plastics carriers per year is estimated to be only around one tenth of that in other European countries.

Other growth in film usage is likely to come from increased penetration of existing areas such as refuse bags—still partly paper—and from further growth in the economy and in exports, leading to increased overall production of goods to be packaged. Low density polyethylene remains dominant in this market but some shifts are going on in the materials used with high- and medium-density polyethylene increasing its share of the bag market where a quality appearance is required. Polypropylene is similarly increasing its share at the expense of PVC film in display applications where high clarity is required. Again out-debated carcass sections at its abattoir to replace the distribution of whole carcasses. Rapid growth has also taken place over recent years in sales of small packs of cooked meats,

Material	1970	1971	1972	1973	1974	1975
LDPE	172	192	212	272	286	232
HDPE	44	50	59	76	76	69
Polypropylene	33	37	45	57	65	70
Polystyrene	69	74	79	92	86	55
PVC	30	37	45	56	57	48
PVDC	6	6	7	8	8	7
Thermosets	7	6	4	4	4	3
Others	2	3	4	5	5	4
Total	362	404	455	569	587	488

Source: Packaging Review.

removal of Government butter subsidies, has increased plastics development now undergoing growth in the yoghurt market—largely supplied by poly-metallic Alcan and styrene—is also expected, a number of other groups are working on this system though itself is expected to keep still at the trial stage could have the rate of expansion below a very significant impact on the levels set in recent years preparation and distribution of the food and on the range and quality of packed products which could become available. Metal Box claims products packed using its system which employs hydrogen peroxide sterilisation will enjoy an extensive shelf life without refrigeration, cutting down on the need for twice or thrice weekly refrigerated goods deliveries and on expensive storage and display equipment.

Among the products which could be suitable for aseptic packaging will be various dairy-based desserts, and savouries. At a later stage with further development of the containers Metal Box hopes to be able to offer aseptic containers suitable for use in the manufacture of processed foods. To establish itself—and there are still many problems to be overcome—the system will have to find a role alongside traditional packaging methods such as canning and other new developments such as retort pouches. If the development does prove successful yet another revolution in food packaging could be at hand, again largely as a result of advances in the use of plastics.

Rhys David

## Glass breaks new ground

Glass container makers in Britain last year produced more than 10,000 million bottles and jars. It was a record for a three-year period. The battle between bottle and can for market share involves more than just beverage containers. The relative position of the industries can be judged by annual output, roughly 8.5m. for glass against around 6.5m. for plastic.

Of course, it is not only cans against which the glass container must battle. Plastic bottles have also found a place in the packaging of various products, even though plastic tends to be more expensive than both tinplate or glass. For example, the pharmaceutical and toiletry industries have certainly switched to plastic at the expense of glass.

To address the balance, the glass makers feel they should aim to get more business from the packers of such things as fruit and vegetables. They point to Continental Europe, where many more of these products are bottled rather than canned. However, there are formidable obstacles to overcome. For instance, because the consumer can see through the glass container the appearance of the fruit or vegetables packed in it must be perfect. This gives the packer extra quality control problems he does not encounter when canning.

One difficulty for the bottle makers is that, while design technology has allowed them progressively to reduce the weight of their products, it is extremely unlikely that the bottle will ever be as light as the can. However, what has already been achieved is typical of the lightweight milk bottle. The shorter, lighter bottles—still holding one imperial pint—offered by the industry bring significant savings in purchase and operating costs while at the same time presenting a modern image for a traditional industry. The savings are of up to 15 per cent. to the milk companies and de-

velopments in light-weighting over the past ten years are saving the dairy industry millions of pounds in bottle purchase costs.

It is also true that however far surface toughening processes are taken, bottles will still smash when dropped from a great height on to a hard floor. Some companies can already offer what is virtually an unbreakable package but these combine plastic with glass and are therefore more expensive than the conventional bottle.

The positive factors emphasised by the industry—apart from the fact that glass costs less and is likely to go on that way—include a mention of flexibility of glass. In this context it means that glass packages can be provided in an almost infinite number of shapes and sizes. The wide-mouthed bottle offered to the brewers is just one recent example (it was dubbed a "drinkoutable" by one manufacturer because, like the can, it is easier to drink from than a conventionally-shaped bottle).

All this activity has been taking place against a background for the glass packaging industry of a recession which swung wildly into a buoyant market because of last year's long, hot summer. As a result, at the end of 1976 we had the strange spectacle of two major soft drinks companies importing bottles at a time when around 10 per cent. of U.K. glass container capacity was still shut down.

**Combination**

The combination of circumstances which produced this state of affairs began in January last year when there was a very big drop in demand for glass containers. At that stage about 20 per cent. of industry capacity was not working. The hot summer then caught the industry unawares and stocks already cut back in the expectation that the poor trading conditions would continue, were run down fast.

All through the early part of the year United Glass, which provides about one-third of U.K.-made glass containers (Rockware is about as big with Redfearn National not far behind) had problems with its new £8m. furnace at Alloa, claimed to be the world's biggest. Some of Alloa's production of whisky bottles, for which it was principally designed, was switched to other locations in Britain and in the autumn the company gave customers a warning it might have trouble satisfying demand.

There is, in fact, no shortage of capacity in the U.K. glass industry. The container makers have spent around £100m. improving and enlarging capacity over the past five years. But the production process is not a flexible one. In some ways it is similar to steel making in that the raw materials go in at one end and come out as the finished product at the other end a few hundred yards away. But in order to achieve this, the process has to be kept going 24 hours a day and seven days a week. It takes time to bring back on stream a furnace which has been closed down and it cannot be done quickly to meet an unexpected upsurge in demand.

All this makes the industry determined to keep plugging away with its efforts to get much better forecasting from its customers so that together they can plan ahead.

less than a similar sized can in the supermarket shelf, was the last year to produce more than 10,000 million bottles and jars. It was a record for a three-year period. The battle between bottle and can for market share involves more than just beverage containers. The relative position of the industries can be judged by annual output, roughly 8.5m. for glass against around 6.5m. for plastic.

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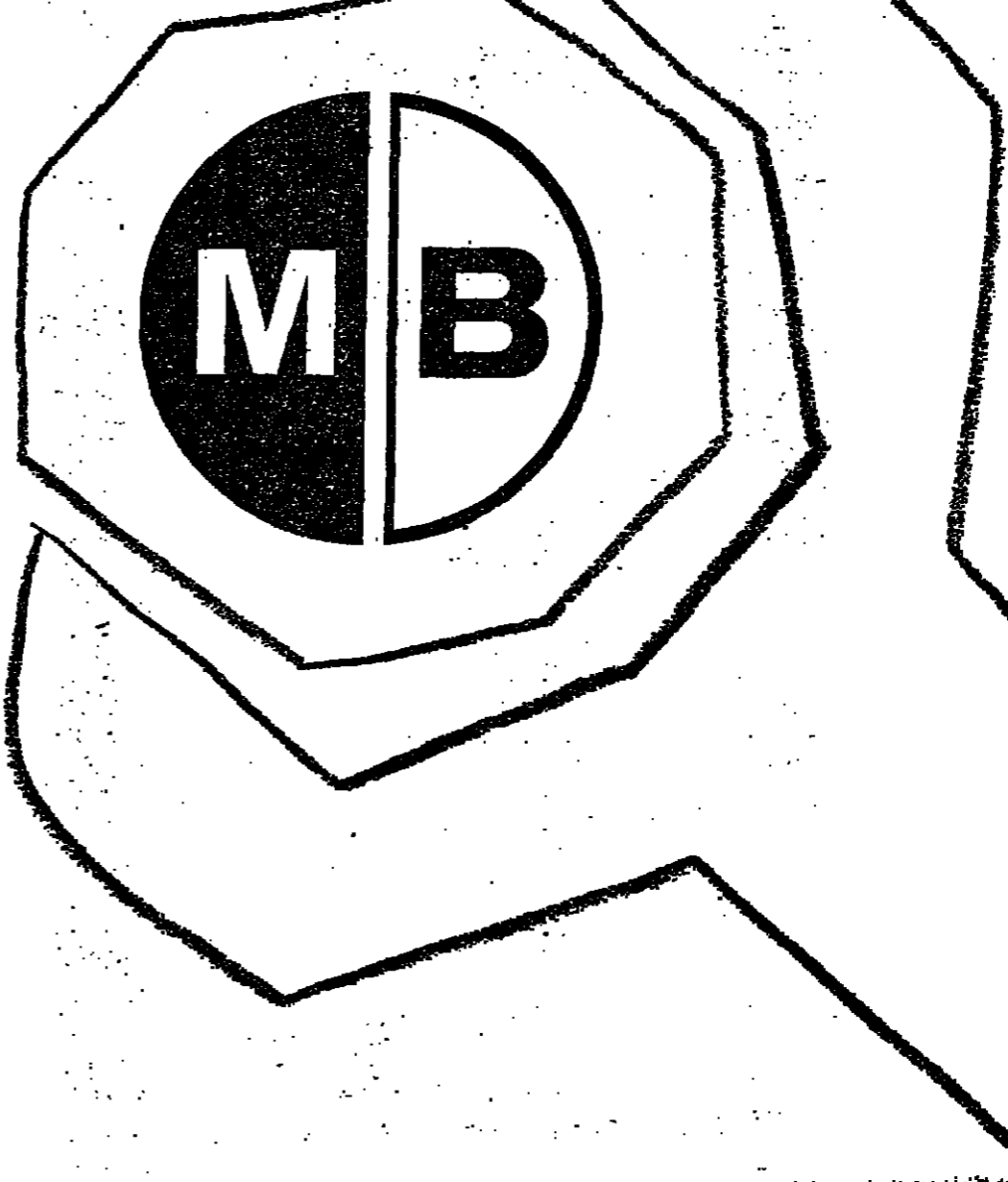
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Kenneth Gooding



# PACKAGING V

# Aluminium markets

RELATIVELY small section of the aluminium business is the 15 years ago, packaged in Europe as in the U.S. It is listed itself as one of the industry's big growth areas in recent years 1975 has to be a, hopefully, as a break in demand falling by 15 in the U.K. largely as a result of de-stocking. A good sales of consumption in the peak year of expected to be expected in 1980s depend on factors not yet fully known of the producers, confidence has been tested by substantial increases in aluminium demand for aluminium.

Alcoa, British subsidiary, Star, have money to increase or improve the efficiency of their mills, and the biggest single packaging market in U.K. way, Alcoa is \$35m. on a new plant on stream later this year. Swansea for the use of rigid container use in cans.

an 80,000 tonnes of is used in packaging or roughly 15-20 per cent aluminium usage. K. and the bulk—43,000 tonnes—this into foil. Here the s faced with two distinct segments—its areas where penetration and growth likely w, and newer areas y often in combination with other materials. is helping to change number of products butted and merchant.

With the milk industry, one of 'ium producers' traditio- nally, aluminium is ap no less than 220m. week, but the prospect his market being cut ss dramatically. s bottle with alu- p is likely to remain or- m of packaging for

While it continues to be delivered to the door, but wage and other distribution costs could render the service uneconomical within the next decade. If and when the public does have to begin collecting its milk in supermarkets it will be packaged in lightweight and disposable plastic or paper.

Tobacco, which with milk accounts for around one quarter of all aluminium used in packaging, is another area where substantial changes could take place. Health risks may eventually lead to some reduction in cigarette smoking as could substantial further increases in taxation. Even before this, however, changes in the system of taxation to bring Britain in line with the EEC are having some effect, leading U.K. producers to begin looking at cheaper forms of packaging. The use of foil to act as a moisture and flavour barrier—the main area where aluminium is used in the pack—is unlikely to be challenged, but there is already a move away from the use of aluminium in the outer case. In recent years U.K. tobacco manufacturers have sought to lend an image of status to their wares by using gold foil in the outer case but some companies have begun to switch to gold lacquered paper for cost reasons.

In these applications aluminium has now become indispensable and largely irreplaceable for a variety of reasons. The material is non-toxic, non-absorbent, and taste and odour free and in addition it has outstanding barrier properties which give it nil gas transmission and imperviousness to light, especially ultra-violet light.

Perhaps most importantly it has outstanding heat resistance properties which mean that it can be used happily over a range from 25 degrees Centigrade to 200 degrees Centigrade and can as a result be taken direct from freezer to oven. The industry expects substantial further growth with the development of new institutional catering techniques such as cook and freeze. This system, which a number of local authorities and big industrial users have introduced, aims to cut down on catering costs by concentrating preparation of food at one centre where it is cooked and frozen for subsequent re-heating after distribution. This means staff and equipment can be used much more efficiently. The cost of moving over to completely new systems, even where these slow down the spread of this system, but the industry is confident that with a return of more buoyant economic conditions its potentiality will be realised.

Systems The development of laminates has had its effect not only on packaging but on the attitudes taken by the aluminium companies as well. It has become clear that the metal's best prospects for growth are probably to be found in applications where it is used jointly with other materials, combining their advantages. As a result some of the leading producers, in particular, have moved down stream to compete directly with the packaging companies in offering packaging systems in a variety of materials.

But while the aluminium companies are well pleased with the progress made by their foils in opening up various new packaging markets over recent years, there remains some disappointment that one of the products on which high hopes were placed—the retort pouch—has yet to achieve the market penetration expected of it.

The pouches formed from foil sandwiched between inner and outer layers of plastic, are filled with food by the processor and heat sterilised after the evacuation of air. The system produces foods which enjoy a long shelf life, and is already widely used in Japan and some other countries, notably Italy, in Europe. Among the advantages are that vegetables do not need to be packed in brine so weight savings are obtained, and because the container is flexible it will fit around the product to be packed, enabling space to be

saved. Use of a narrow width pouch also makes it possible to reduce heat processing times and consequent improvement in flavour retention. In canning, the outside of the can has to be overheated to ensure the contents in the middle are adequately heated. After purchase the food in the retort pouch can be prepared by the consumer, simply by dropping the bag in boiling water for a few minutes.

The system has failed to achieve the rapid growth expected, however, because the processors have apparently been reluctant at a time of recession to spend the sums required on new processing equipment.

The other main area where aluminium has made inroads in recent years is the beverage market where it gained entry originally in ring-pull easy-open ends. It has since become highly important as well as body material in cans, and took 49 per cent of the giant U.S. market of 45bn cans last year. This year aluminium expects to get 49 per cent of a 47bn can market. In Europe the tinplate industry had more time to prepare itself for the explosion in demand for canned beverages and has been successful in holding on to the bulk of the market, but in Europe as in the U.S. aluminium is needed for the easy-open end and the market in the U.K. for canstock for ends and bodies is expected to reach 20,000 tonnes within the next few years. A total of eight all aluminium body lines has been installed in Europe as a whole, including three in Britain, which last year had total beverage can sales of 5bn.—about the same as the rest of Europe combined. The market has proved sufficiently attractive at any rate for Alcoa to instal in South Wales a 55,000 tonnes per year new plant which will supply the whole of Europe with canstock. The investment is worth \$35m.—the biggest single sum committed by an aluminium producer in the U.K. since the construction of the three smelters in the late 1960s.

The growth which will justify this and other investment in aluminium packaging will be there, according to the aluminium producers who point to an additional reason why the metal is likely to remain in favour as a packaging material. Unlike most other forms of packaging aluminium can be recycled and converted into usable input at only 5 per cent of the cost in energy terms of making new metal from bauxite, the original raw material.

Rhys David

## Decline

But while the possibility of a decline or even a low growth rate in two such important areas would have hurt the producers of aluminium for packaging seriously some years ago, the growth of other areas means that the impact, if it occurs, will be manageable. Few homes are now without foil wrap whether for use in cooking to contain juices and prevent drying up, or in deep freezes to seal in flavours and prevent frost-burn. Other much bigger applications for foil also now exist, including in particular bakeries. Bakery products including meat pies account for around half of all foil used in containers, with frozen food taking a further 20 per cent, and institutional catering, take-out meals and miscellaneous other applications accounting for the rest.

# Demand for machinery

THE recession hit demand for machinery designed primarily for the beer, soft drinks and milk producers. It is in this sector that the U.K. has just one major producer, Vickers-Dawson, part of the Vickers engineering group. This company now accounts for about 90 per cent of the UK production of bottling machinery and it gained this position because it developed from a series of mergers and acquisitions culminating in Vickers' purchase of the Dawson and Barfos bottling machinery business in December 1973.

Like so much else in the packaging machinery market, this particular sector is one where international trade is highly developed. The main competition for Vickers-Dawson comes from Holsten and Kappert of West Germany, Stork of Holland and Remy of France.

The canning machinery business is dominated in the U.K. by Metal Box, a group which also produces perhaps nine out of every ten cans made in Britain. MB provides its customers with canning equipment, a service which has proved to be an invaluable aid to persuading packaging com-

panies to use the can rather than the bottle. The U.K. glass container groups do not design and market bottling machinery, and freely admit that they have lost important ground to can makers because of this.

MB also makes cartoning machinery, which, when put together with the canning side, makes a viable and expanding business. Competition in the canning machinery sector is not as severe as most others but MB has licensing agreements with two American groups, Continental Can and Standum, which naturally limit the overseas markets it can attack.

and this could save the country millions of pounds a year on the national balance of payments," he declares.

The other packaging machinery maker with a sizeable turnover is particularly specialised. For Molins, known best for its world leadership in the manufacture of cigarette-making machines, also makes cigarette packaging machinery and customers currently have more than \$8m. worth on order.

The machines in question are hinged-lid packers, the kind that make the flip-top packet in which most quality cigarettes are sold. It is estimated that at least 80 per cent of all cigarettes sold in the U.K. and the majority of cigarettes sold in West Germany are packed in flip-top packs.

These first made real headway in the 1950s. There was a mighty boom in demand after Philip Morris introduced the Marlboro brand in flip-top packets in the United States. It was so successful that other manufacturers followed suit. At one stage Molins had orders for nearly 500 hinged-lid packers on its books. However, the soft pack smoker was not to be ousted so easily and demand for the hard packs levelled out and eventually began to fall.

**Wrapping**

The remaining packaging machinery sectors, of which wrapping, case packing and cartoning are the fastest-growing, are represented in Britain by around 70 companies. Only two of them appear to have a turnover of more than £10m.

One of them is Rose Forgrove, now one of the larger operating companies in the Baker Perkins Holdings group of Peterborough. Last year it contributed more than £17m. towards Baker Perkins' total sales of £99m. The company is among the largest in the world in its own field which is the manufacture of automatic packaging machinery for the food and pharmaceutical industries where packaging is essential for product preservation and hygiene. In particular its machines are concentrated in bakeries, sugar confectionery factories, biscuit factories and tea processing factories (the growing demand for tea bags has given the tea packaging side a big boost and provides a good example of how some companies with traditional products can gain from a new market).

Rose Forgrove usually exports about two-thirds of its output but like many other companies of its kind insists that the U.K. market remains of paramount importance because it is the one which provides a launching pad for new machines and also provides useful installation examples for potential overseas customers.

In any case, the West German wrapping machinery makers manage to export around 80 per cent of their output, a figure which Rose Forgrove constantly bears in mind. But an equally important part of its role is keeping imported machines out. Mr. Jack Rodman, sales and marketing director, believes that too many packaging machines are imported into the U.K. "There is still a great deal we could do in selling our own machines in place of imports

## Accepted

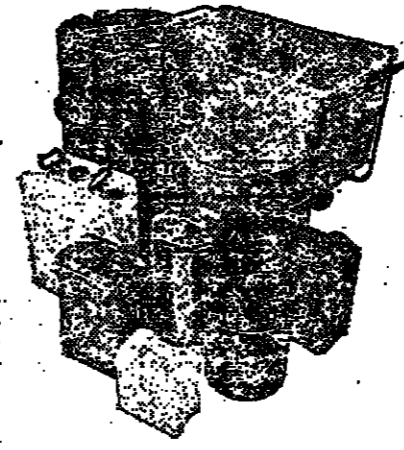
By the late 1960s Molins was able to plan hinged-lid production with confidence that the machine was here to stay and had an expanding and long-term market. During the boom in the early 1970s it had 450 packers worth around £20m. on its books for delivery over a two-year period.

Of the other U.K. companies in the field, Tenenil has built up since the late 1950s a group of five companies making wrapping, packaging, filling and labelling machines for the tobacco, food, pharmaceutical, cosmetic and bottled drinks industries. It also makes closures for steel and plastic drums, gears for office equipment and other products.

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STOCK EXCHANGE REPORT

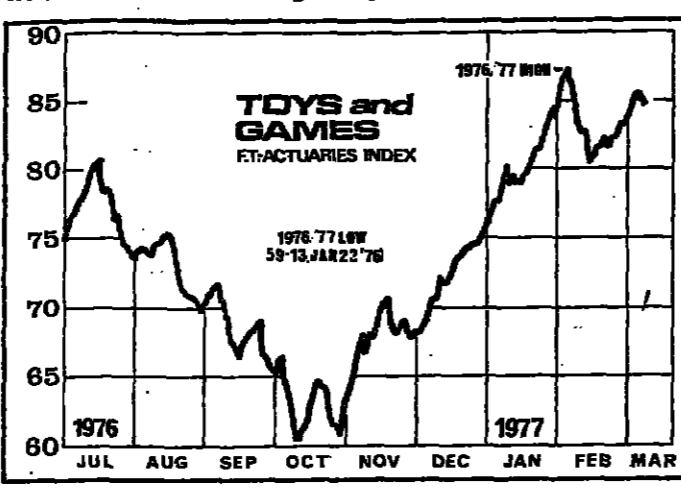
Second-line equity features as markets lack incentive
Index eases 1.0 to 406.9—Gilts firmer late—Golds up again

Account Dealing Dates
Option
First Declara... Last Account
Dealings from Dealings Day

small buying enthusiasm which
transformed early losses of 2, and
a little more, to gains of that

Ordinary touched 304p before
finishing 5 down on the day at
232p, while the 6 per cent quoted

tries, which reported interim
results on March 25 last year, eased
3 to 322p, but Crane Fruehauf



FINANCIAL TIMES STOCK IN
Table with columns for Mar 7, Mar 8, Mar 9, Mar 10, Mar 11. Rows include Government Secs, Fixed Interest, Industrial Ordinary, Gold Mines, etc.

HIGHS AND LOWS
Table with columns for High, Low, High, Low, Daily-Gilt, Industrial, etc. Rows include Govt Secs, Fixed Int, Ind. Ord., Gold Mines.

FT Guide to Expenses for the International Businessman
If you travel abroad on business...
compile budgets for international business travel...
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RECENT ISSUES
EQUITIES
Table with columns for Issue, Amount, Latest, 1976/77, Stock, etc. Includes items like Anglo-American, Anglo-Continental, Anglo-French.

FT-ACTUARIES SHARE INDEX
These indices are the joint compilation of the Financial Times, the Institute and the Faculty of Actuaries
EQUITY GROUPS
Monday March 7, 1977
Table with columns for Group, Index, Day's Change, etc. Includes Capital Goods, Building Materials, Contracting, etc.

NEW HIGHS AND LOWS FOR 1976/77
The following securities closed in the week ending 25th Feb 1977
Table with columns for Security, High, Low, etc. Includes Shell (A, B), Anglo-Continental, Anglo-French, etc.

Table of financial data for various unit trusts, including columns for trust names, managers, and performance metrics.

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Table titled 'BASE LENDING RATES' listing various banks and their respective interest rates.

Table titled 'INSURANCE BASE RATES' listing various insurance companies and their rates.

Advertisement for 'POLLO' magazine, edited by Denys Sutton, featuring the world's leading magazine of arts and antiques.

INSURANCE, PROPERTY, BONDS

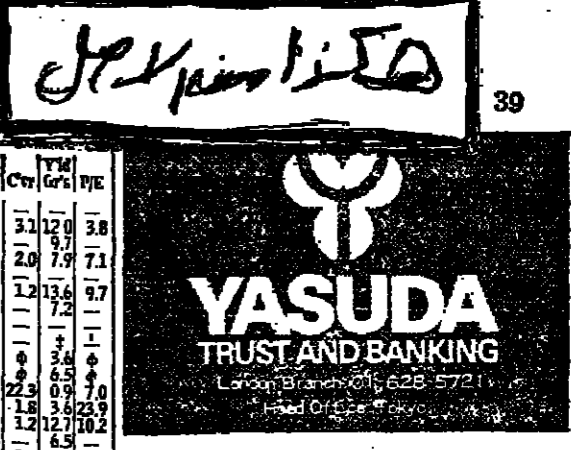
Large table listing various insurance, property, and bond products from multiple companies, including names, descriptions, and rates.

OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas investment funds, including names, managers, and details.

NOTES section containing additional information and disclaimers related to the fund listings.





INDUSTRIALS - Continued

Table listing various industrial companies with columns for Stock, Price, and Dividend yield.

MOTORS, AIRCRAFT ENGINES

Table listing companies in the motors and aircraft engines sector.

PROPERTY - Continued

Table listing various property-related companies.

TRUSTS - Continued

Table listing various trust companies.

TRUSTS - Continued

Table listing various trust companies (continued).

TRUSTS - Continued

Table listing various trust companies (continued).

MINES - Continued

Table listing various mining companies.

INSURANCE

Table listing insurance companies.

PROPERTY

Table listing property-related companies.

TRUSTS, FINANCE, LAND

Table listing trust, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trust, finance, and land companies (continued).

TRUSTS, FINANCE, LAND

Table listing trust, finance, and land companies (continued).

TRUSTS, FINANCE, LAND

Table listing trust, finance, and land companies (continued).

TRUSTS, FINANCE, LAND

Table listing trust, finance, and land companies (continued).

Notes, regional markets, and options sections at the bottom of the page.

OVER HALF THE PLANTS DAMAGED IN INDUSTRIAL CITY

Quake hits Romanian economy

BY LESLIE COLITT

PILOESTI, the vital oil centre and a major industrial city, is estimated to have been set back five years by Friday night's earthquake...

Many of the oil well around Ploiesti are said to be closed, though the majority are functioning again after a two-day break...

However, Western diplomats who visited the refineries said they were less severely hit than had been originally thought...

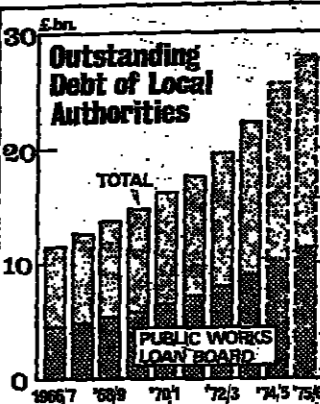
Chemical plants, which were swept by fire. A visit to the sulphuric acid plant, the largest in the country, revealed extensive damage to installations...

restricted to an absolute minimum and supplies of natural gas used for heating and cooking, have stopped in Bucharest...

THE LEX COLUMN

Need to lengthen Town Hall debt

Index fell 1.0 to 406.9



The Greater London Council's recent forays into the corporate loan stock issue market have not been particularly successful...

With a 13 1/2 per cent coupon and an issue price of £88.50 (£10 paid), the 13.50 per cent redemption yield is dead in line with the recent Fife and Corporation of London issues...

Lloyds Bank

Clearly the tortuous question of inflation and the maintenance of clearing bank capital is to be a prominent feature of the Big Four's annual reports this year...

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Public borrowing outlook improves

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE OUTLOOK for the public sector borrowing requirement is more favourable than forecast in December's official statement...

The sub-committee had in front of it the analysis of the White Paper by Mr. Perry Ward, its specialist...

Tories seek tax cuts for the better paid

By Philip Rawstone

THE CONSERVATIVES intend to press the Government to concentrate the bulk of its expected Budget tax reductions on skilled workers and middle and senior management...

Emminger is next Bundesbank chief

BY NICHOLAS COLCHESTER



Dr. Emminger: A popular choice as "guardian"

DR. OTHMAR EMMINGER, who was 66 last week, will be the next president of the West German Bundesbank...

The term of the president's appointment is eight years so that the post has some protection against political swings...

It is hard to dispute the claim that the Bundesbank's independence has been a key element in West Germany's relative price stability over the past four years...

Devolution talks start in earnest

BY RICHARD EVANS, LOBBY EDITOR

THE INTER-PARTY talks on devolution were launched in earnest at the Commons last night...

reached agreement with other parties in Parliament. In his view, the Government's success now depends on whether the decision to seek consensus on the future of the devolution legislation...

Although there was little sign of progress after the brief meeting, to the intense relief of Ministers discussions were not broken off. Further exploratory meetings are to be arranged between Michael Foot, Minister with responsibility for devolution...

Mr. Steel's remarks were taken by some MPs as an indication of his willingness to join in wider talks with the Prime Minister, on a programme that would have a broad degree of support and that would ensure the Government remaining in power for some time.

But Ministers still insist that their commitment to devolved power remains as outlined in the Bill, and in the continuing talks with minority parties...

Bank backs climbers BARCLAYS BANK International has promised a £2,500-a-year grant for five years to the Mount Everest Foundation to support any mountaineering expedition...

Port Sunlight £2m. rebuild

BY MALCOLM RUTHERFORD

PORT of the Port Sunlight factory constructed by William Lever in 1888 is to be rebuilt by Lever Brothers at a cost of about £2m...

Three issues likely to cloud Callaghan-Carter talks

BY MALCOLM RUTHERFORD

MR. JAMES CALLAGHAN could well find his talks with President Carter in Washington later this week clouded by disagreements on three issues...

The issues are Concorde, the renewal of the Bermuda Agreement on transatlantic flights between Britain and the U.S., and American economic policy...

Mr. Callaghan will tell the President that he would like the economic summit meeting of the main industrial democracies, due to be held in London in May...

Prices

Continued from Page 1

made by higher prices for vehicles. The recent slow-down in the increase in manufactured food prices, interrupted in January...

Direct to court

BY MALCOLM RUTHERFORD

A decision on Concorde landing rights in New York is due to be announced by the Port of New York Authority on Thursday afternoon...

Weather

U.K. TO-DAY

Table with columns for location, temperature, and weather conditions for various UK regions.

Weather

Glasgow, Cent. Highlands, Isle of Man, S.W. Scotland

Table with columns for location, temperature, and weather conditions for various Scottish regions.

Advertisement for PENSIONS... the next step. A general guide to the Social Security Pensions Act 1975. Includes logos for The Emeritus Fund, Growth Pension Fund, and Pen & Ben. Text: 'A decision must be made... it is now a matter of urgency for all employees...'

Handwritten scribble at the bottom left of the page.